

Italy Signs New Pact On Its Ties To Vatican

By Henry Tanner

International Herald Tribune

ROME — The steady decline in recent years of the influence of the Catholic Church on life and politics in Italy was formalized Saturday when Prime Minister Bettino Craxi and Cardinal Agostino Casaroli, the Vatican's secretary of state, signed a new state-church concordat in a solemn ceremony.

Catholicism is no longer Italy's "state religion," as the concordat signed 55 years ago said. Rome no longer has "the sacred character of eternal city," which under the previous concordat made it "the duty of the Italian government" to keep anything out of the city's life that could be "in conflict with this character."

Covered by this were some films and books regarded as morally offensive to Catholicism or the papacy. Religious instruction in state schools becomes optional instead of being "the foundation and crowning of public education," as under the other concordat.

The number of religious institutes and members of the clergy receiving financial contributions from the state has been reduced. Annulments of marriages by the Vatican are made subject to review by an Italian court if requested by one of the parties.

But the state continues to give automatic recognition to church marriages. Catholic priests remain exempt from military service and some of them continue to get their salaries from the state.

The new text replaced the concordat signed Feb. 11, 1929, by Benito Mussolini, the Fascist dictator, and the church.

Talk of changing the text started nearly 20 years ago. Negotiations began eight years ago. For Mr. Craxi, who has long been one of Italy's most outspokenly secular politicians, the signing is a personal triumph. But there is also an element of good luck.

Giovanni Spadolini, the only other non-Christian Democratic prime minister since the war, had pushed the negotiations close to a successful conclusion in 1982.

But the negotiations were shelved when Banco Ambrosiano, one of Italy's largest banks, collapsed. The bank had been involved in fraudulent operations. Its director, Roberto Calvi, was found dead in London in June 1982 in what the authorities said was an apparent suicide.

The Vatican bank owned part of Ambrosiano, and Mr. Calvi had close links to the Vatican. This was thought to be a poor background for negotiations, even though the Vatican bank is not a religious institution as defined by the concordat and thus was not an issue.

A new prime minister came to power and the Vatican pledged to make a voluntary payment of a reported \$250 million to the assets from which Banco Ambrosiano's creditors will receive partial compensation for their losses. Negotiations then moved forward again.

At Saturday's ceremony, Mr. Craxi pointed to the church's diminishing influence when he said the new concordat reflected "the new relations between the church and the political community."

Details mainly on financial matters left open in the text signed Saturday are to be settled by a church-state commission within six months. The full text will then go to Parliament for ratification.

Approval is virtually certain since Mr. Craxi had no trouble getting the draft of the text he signed Saturday through Parliament.

The greatest single setback for the church in recent years came in 1981, when Italian voters decisively opposed repeal of a law permitting abortion. Pope John Paul II per-

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Trucks in Angoulême, north of Bordeaux, blocking the main nontoll road Sunday between Paris and the Spanish border.

French Truck Union Asks Drivers to Halt Strike

Compiled by Our Staff From Dispatches

PARIS — The president of France's largest independent truckers' organization called on his members Sunday to end a four-day series of road blockades that had created the worst traffic jams in French history. He was responding to the government's decision to drop a demand that the barriers be dismantled as a precondition for negotiations.

Despite the request by Maurice Vioron, president of the 23,000-member National Road Transport Federation, there were indications that many of the drivers intended to continue their protests to press demands for lower fuel taxes, changes in border crossing procedures and relaxed truck safety regulations.

The government's highway information agency reported Sunday night that truck blockades had been removed in 16 of France's 96 departments. But they added that blockades remained in 41 others.

Mr. Vioron asked that all block-

ades be dismantled by 8 P.M. after Transportation Minister Charles Fiterman agreed to schedule negotiations with the truck drivers on Tuesday morning. On Saturday, Mr. Fiterman had said that no negotiating date would be set until the truckers cleared the roads.

But in Chuses, a French Alpine town near the Swiss and Italian borders that has been cut off since the strike began Thursday, drivers said they would not leave until the negotiations were completed.

There were also reports of clashes between truck drivers and motorists. Near Avignon in southeastern France, police reported that a motorist forced his way through a barricade and ran down three trucks, one of whom was seriously injured. The motorist drove away.

In announcing his shift in policy, Mr. Fiterman said, "The situation is improving, particularly in the Haute Savoie region. Because of this, we are ready to open discussions from 10 A.M. on Tuesday on all problems. Naturally, all barri-

cades should be lifted in the next few hours."

Haute Savoie, the Alpine department where the strike started, has been among the regions most severely affected by the strike. Several towns including Chamonix, a major skiing resort, have been isolated by the strike.

There have been reports of food and gasoline shortages in some of the resorts and of long lines of vacationers stranded behind the truck drivers' barricades.

The job actions widened on Sunday, after the police tried to remove the vehicles in the Alps and around Lyon. The truck drivers retaliated by extending the protest, which included parking tractor-trailers across highways and driving slowly on urban roads.

Huge traffic jams were reported on the roads leading south from the cross-channel port of Calais, and on the road at Strasbourg. Blockades were reported in Brittany, in the Bordeaux region, and around Angoulême in the southwest.

Early Sunday, a French Air

Force plane arrived at Orly Airport outside Paris with 15 injured skiers, who had been unable to leave the alpine resorts by road.

They were flown to the alpine valley town of Chambéry by helicopter before boarding the plane. Medical authorities said 50 other skiers, injured in various accidents, were waiting to be evacuated from several resorts.

The strike began as schools in the Paris area let out for winter vacations, and as vacationers from other regions where schools were to reopen prepared to return home.

The union was reacting largely to a work-by-rule strike by French customs officers, who were seeking larger, heated shelters, and by Italian customs workers across the border, who wanted more pay.

The union is asking for compensation for time lost because of the customs actions. It is also demanding a cut in fuel taxes and better government control of border crossings.

(AP, Reuters)

Israeli Planes Bomb Targets Near Beirut

By Herbert H. Denton

Washington Post Service

BEIRUT — Israeli jets bombed targets in the eastern Lebanese mountains Sunday and blew up a lumberyard along the coastal highway about 12 miles (20 kilometers) south of the capital.

In Tel Aviv, military spokesmen said the planes hit staging areas used by "terrorists," official Israeli language for Palestinian guerrillas. Syrian batteries fired at the planes but did not hit them.

The afternoon bombing raids followed several days of probing by Israeli forces of the new territory gained by Lebanese opposition forces that brought them about 11 miles above the Awali River, the northern limit of Israeli-occupied Lebanon.

Although Israeli planes have bombed positions in the Syrian-controlled mountains or eastern Bekaa Valley on four other occasions this year, Sunday marked their first strike on the coastal road since Israeli invaded Lebanon in June 1982.

Anti-government fighters said that about 10 civilians were injured in the air raid on the lumberyard, including three Asians who worked there. They denied that any Palestinians were there.

But indications that Palestinian fighters may have been hit in the strikes against the towns of Bhamdoun and Hammana in the mountains came in a statement issued in Damascus Sunday night by a Palestinian Liberation Organization faction, the Democratic Front for the Liberation of Palestine. It denounced the attack on "Palestinian and national Lebanese positions."

The Israeli strikes came as Italian soldiers shipped out gear in preparation for their withdrawal Monday and as President Amin Gemayel ringed new defenses around the presidential palace.

Guns of opposition Druze Muslims pounded Souk el-Gharb, the Christian town that is the Lebanese Army. It is strategically important because it overlooks the presidential palace.

Western military sources said that the army had moved in troops and tank reinforcements and created a horseshoe defense for Souk el-Gharb and the palace, which is three miles away.

The sources visited Souk el-Gharb Sunday and described the morale among the 1,000 soldiers there as "pretty good" but expressed surprise there were not more troops present there.

They said that the mountain position was well protected and could be defended if there were no sectarian problems within the ranks. Since the splintering of the army this month, military sources have estimated that only about 12,000 of Lebanon's 22,000 combat troops remain loyal to Mr. Gemayel.

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Pérez de Cuéllar, in Visit to Poland, Assails Violations of Unions' Rights

Reuters

WARSAW — The United Nations secretary-general, Javier Pérez de Cuéllar, on Sunday condemned human rights abuses, including violations of union freedoms, while on a visit to Poland.

Speaking at Jagiellonian University in the southern city of Krakow, Mr. Pérez de Cuéllar said some countries pay only lip service to civil, political, economic, social, religious and trade union liberties.

Mr. Pérez de Cuéllar did not refer directly to Poland's suspension of Solidarity, the free trade union, when it declared martial law in December 1981. Ten months later, the government dissolved the movement.

Warsaw lifted martial law last July, but did not end the ban on Solidarity. Authorities have since arrested several suspected Solidarity members, including Andrzej Gwiazda, the deputy leader of the union's underground movement. Mr. Gwiazda is awaiting trial on charges of plotting against the state.

In the speech, Mr. Pérez de Cuéllar denounced "gross violations of human rights, such as arbitrary and summary executions, enforced and involuntary disappearances and torture and other forms of arbitrary killings." These, he said, "take a heavy toll of human life."

"Less life-threatening, but nonetheless tragic," he said, "is the fact that important human rights—civil, political, economic, social, religious and trade union liberties—continue too frequently to be ignored."

Mr. Pérez de Cuéllar told faculty members at the university, which is 620 years old, that the UN had a mandate to promote respect for freedoms contained in the Universal Declaration of Human Rights, which was adopted after World War II.

The speech, published by the official news agency Interpress, did not name countries.

But the International Labor Organization, a Geneva-based UN body, has irritated the Polish government by investigating allegations of abuses of trade union rights in Poland. The inquiry is only the seventh of its kind since the organization was formed in 1919.

Warsaw says the investigation is part of a politically motivated campaign. Poland boycotted the organization's annual conference last year.

Mr. Pérez de Cuéllar was on the second day of a four-day visit. He has held talks with Poland's foreign minister, Stefan Olszowski. On Monday, he is scheduled to confer with General Wojciech Jaruzelski, the Communist Party leader.

He is also scheduled to visit Czechoslovakia, Hungary and Bulgaria.

During his stay in Poland, Mr. Pérez de Cuéllar has also mentioned the case of Alicja Wesołowska, a Polish UN employee who was jailed in 1980 on charges of spying for the West.

UN officials have tried unsuccessfully to secure her release, and informed sources said that Mr. Pérez de Cuéllar had raised the case in talks with Poland's UN delegate before he came to Warsaw.

Polish officials have shown little response to the West's easing of economic sanctions. Page 4.

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Javier Pérez de Cuéllar

last Tuesday of the Rev. Mieczyslaw Nowak from Ursus to a new parish in a country area, the sources said.

Cardinal Jozef Glemp, Poland's primate, said last week that the move was a promotion. But opposition sources said the action against the priest, who is a vocal supporter of Solidarity, was a sign of growing cooperation between the church and the authorities.

Informed sources said that 70 worshippers had lingered at St. Joseph's Church in the Warsaw suburb of Ursus, when the cleric attempted to justify the removal

Moon Church Funds Enrich Uruguay With the Aid of Tax Breaks, Group Invests \$70 Million

By Edward Schumacher

New York Times Service

MONTEVIDEO — The Unification Church of the Rev. Sun Myung Moon, who like Uruguay's military rulers is strongly opposed to communism, has become one of the largest foreign investors here.

In the last three years, the church has invested about \$70 million in buying Uruguay's third largest bank, a hotel, a daily newspaper and other businesses, according to business leaders, Western diplomats and a top church official. The sources said the church had been aided by tax breaks and benefits from the Uruguayan government of General Gregorio Alvarez.

Opposition political leaders and newspapers have attacked the Unification Church, charging that the church is supporting the military at

a time most of the populace is demanding democracy. General Alvarez is said to favor delaying the turnover to civilian rule planned for next year and has recently cracked down on dissent.

The Unification Church began moving into South America in the 1970s, drawn to countries with military rulers opposed to communism. It started trying to win converts in Uruguay in 1978 but stopped, reportedly because it did not want to stir the same Roman Catholic opposition encountered in other Latin countries.

Business, diplomatic and church sources said it had been using Uruguay instead as a base to make money, strengthen anti-communism and distribute its religious messages to the rest of the continent.

Of Uruguay's 2.9 million people,

no more than 20 are Unification Church members today, according to one business executive who is running the church investments here.

Julio Mario Sanguinetti, president of one of the country's two largest political parties, the Colorado, said, "They are religious fanatics with no religious activities."

Correo de los Viernes, a weekly, was recently moved to dub this capital "Moonvideo." Another, La Nacion, asked: "Will Uruguay be picked by Moon to be the first Unificationist Republic in the world?"

Church officials declined to respond publicly to the criticisms. However, the church's newspaper, Ultimas Noticias, a daily that does not publicize its church connection, has recently toned down its once

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Phil Mahre, left, the slalom gold medalist, hugs his brother and silver medalist, Steve.

Mahre Twins Sweep Slalom

Phil and Steve Mahre of the United States finished one-two in the men's slalom on the final day of the Winter Olympics in Sarajevo.

In other weekend highlights: The Soviet Union defeated Czechoslovakia, 2-0, to regain the hockey title that it had lost to the United States four years ago.

Katarina Witt of East Germany edged Rosalynn Summers of the United States for the women's figure skating gold.

Maria-Liisa Härmäläinen of Finland made Olympic history by winning her third individual gold medal, the 20-kilometer cross-country ski race.

Wolfgang Hoppe collected his second Olympic gold medal, driving an East German bobsled to victory in the four-man competition.

Coverage, Pages 6 and 7.

The sources said that, in the meeting, Mr. Mubarak argued that Mr. Arafat wanted a political solution to the Arab-Israeli conflict but cannot give Hussein his endorsement until he has U.S. recognition. Mr. Mubarak said Mr. Reagan could help Mr. Arafat by publicly endorsing the concept of Palestinian "self-determination," which is generally understood to mean an independent Palestinian state, and by forcing Israel to halt its settlement activity in the occupied West Bank and Gaza Strip.

The Egyptian president also reportedly said that, because of internal PLO pressures, Mr. Arafat cannot at this time accept UN Resolutions 242 and 338, which would be tantamount to recognition of Israel's right to exist.

But, Mr. Mubarak continued, in exchange for U.S. recognition, Mr. Arafat would be willing to reconvene the PLO's parliament, the Palestine National Council, to amend the part of the PLO covenant that rejects Israel's existence.

The administration sources said these proposals were categorically rejected by the United States, which reaffirmed its standing policy, which there will not be any contact with the PLO until it has accepted Resolutions 242 and 338.

To underscore the U.S. stance, the sources said, an official who briefed reporters was instructed to point out that Mr. Reagan's presence during Mr. Mubarak's public call for dialogue with the PLO did not mean that Mr. Reagan endorsed the idea. The next day, Mr. Shultz reiterated the U.S. conditions for dealing with the PLO.

The sources said the choice of Mr. Silberman to work with Mr. Mubarak's special Middle East envoy, Donald H. Rumsfeld, was intended to send a reassuring diplomatic signal to Israel and also to help Mr. Reagan with the American Jewish community during the election campaign.

According to the sources, Republican strategists believe that the campaign for the Democratic nomination by the Rev. Jesse L. Jackson, who is widely regarded by American Jews as pro-Arab, could force many of them away from the Democrats.

U.S. Intermediary Held Secret Talks With Arafat

By Bernard Gwertzman

New York Times Service

WASHINGTON — The Reagan administration conducted secret discussions through an intermediary with Yasser Arafat, the head of the Palestine Liberation Organization, in 1981 and 1982, according to U.S. participants in the effort.

They said that the purpose of the talks was similar to attempts by the Carter administration to persuade the Palestinian leaders to accept the U.S. offer of recognition of their organization in return for acceptance by the PLO of Israel's right to exist. After the Israeli invasion of Lebanon in June 1982, the PLO broke off the talks.

The intermediary was John Edwin Mroz, a specialist on Middle

East and Soviet affairs, who heads a New York-based foundation.

U.S. policy toward the PLO since 1975, reiterated by Secretary of State George P. Shultz last week, has hinged on a promise to Israel that it would not recognize or negotiate with the Palestinian group until it acknowledged Israel's right to exist and accepted certain United Nations Security Council resolutions.

Officials say that this policy does not rule out contacts to try to get fulfillment of the conditions.

The effort to encourage PLO acceptance of Israel in return for U.S. recognition reportedly collapsed after the Israeli invasion of Lebanon in June 1982, before any agreements were reached.

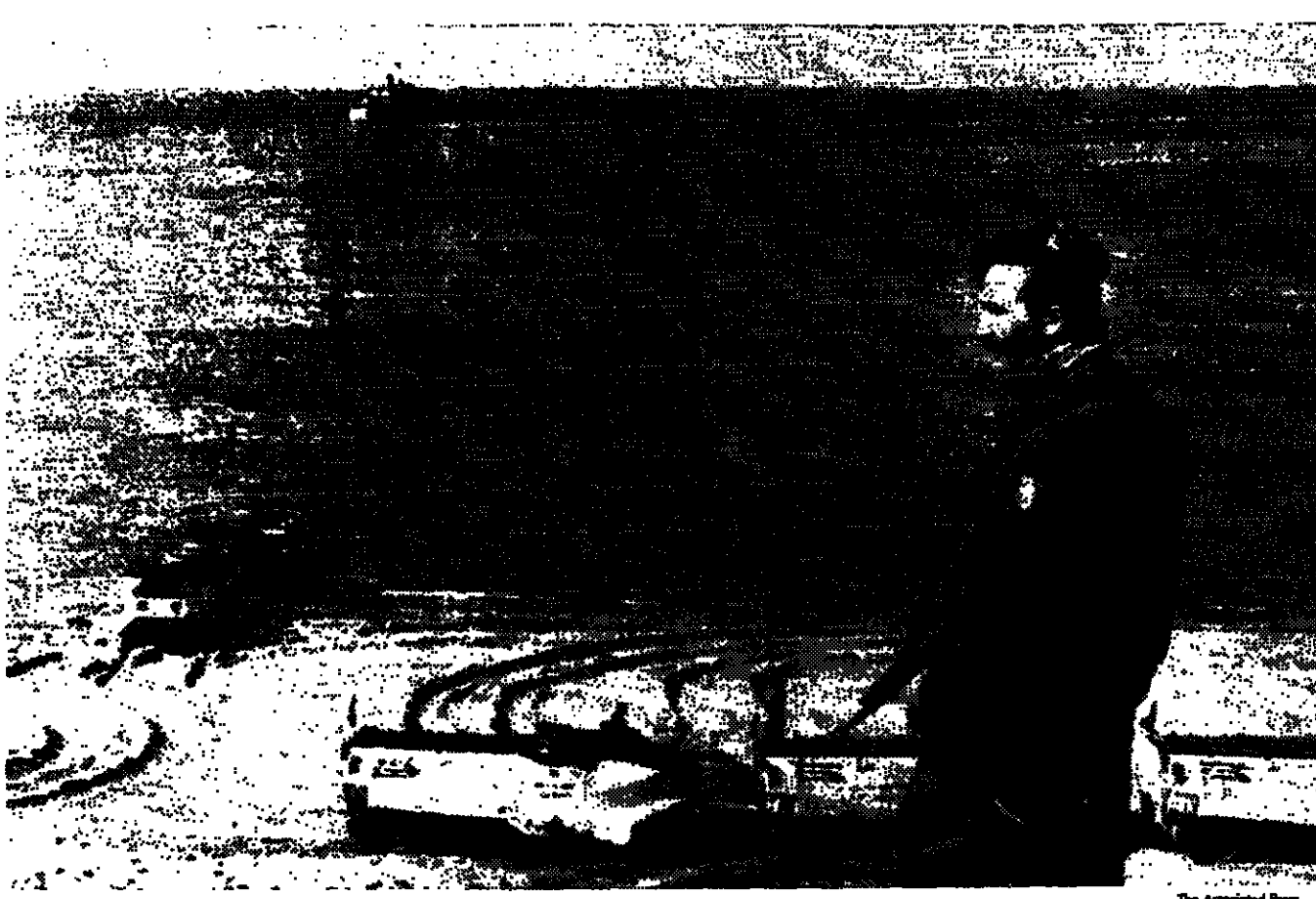
There has been no public disclosure of any U.S.-authorized contacts with the PLO during the Reagan administration except in the context of the PLO's withdrawal from Lebanon in the summer of 1982. U.S. officials said that only Saudi Arabia was informed of the discussions. Israel and other Arab states were not told, they said.

From August 1981 to May 1982, Mr. Mroz had more than 50 meetings with Mr. Arafat, totaling more than 400 hours. Mr. Mroz's associates said. Mr. Mroz, 35, is now president of the Institute for East-West Security Studies in New York, but was director of Middle East studies at the International Peace Academy in New York when the effort began.

President Anwar Sadat, on his last trip to Washington in August 1981, made an eloquent plea for U.S. recognition of the PLO. A similar statement was made by President Hosni Mubarak last Tuesday in Washington.

Administration officials said the Mroz mission was authorized by Alexander M. Haig Jr., then secretary of state, in August 1981. Mr. Haig told President Ronald Rea-

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An Italian paratrooper patrolled on a beach south of Beirut Sunday as Italian soldiers in the multinational peacekeeping force began putting equipment on landing craft in the first stage of a withdrawal to ships off the Lebanese coast.

U.S. Intermediary Had Secret Talks With Arafat

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gan of his plan to have Mr. Mroz sound out the PLO position, and later told his aides that Mr. Reagan had approved the idea, they said.

The national security adviser, Robert McFarlane, in an interview Sunday, denied that Mr. Reagan was aware of secret negotiations with the PLO. The Associated Press reported from Washington, "I am very confident that the president was unaware of any such contacts if they took place," he said on ABC television.

Only a few U.S. and PLO officials knew of the talks, participants said. Nicholas A. Velotes, who was assistant secretary of state for Near Eastern and South Asian affairs and is now ambassador to Egypt, was Mr. Mroz's chief contact in Washington, officials said.

Although Mr. Haig had often condemned the PLO for its terrorist activities, Mr. Velotes persuaded him to try. State Department officials said, to split the Palestin-

ians away from the Soviet Union and make it easier to achieve progress in Middle East peace issues.

The Palestinians seemed eager at the time to gain formal U.S. recognition, the officials said. Mr. Arafat had, in fact, reportedly originated the mission by sending a message to Washington through Mr. Mroz dated Aug. 4, 1981, suggesting talks on "a possible framework for a U.S.-PLO agreement," with Mr. Mroz to be the secret intermediary.

The Saudi government was brought into the effort as a channel to confirm messages sent between Mr. Arafat and the administration, the officials said.

The discussions reached a potentially crucial point in May 1982, when the PLO told Mr. Mroz that it would reply by mid-June to a U.S. plan for mutual recognition, a participant in the effort said.

After Israel invaded Lebanon on June 6, the PLO, under heavy Israeli attack, never sent a reply.

Later, PLO officials told American officials they believed that the admin-

istration, at the same time it was talking to them through Mr. Mroz about a negotiated accord, had connived in the Israeli attack and had thus deceived them. This has been denied by Mr. Haig. The theory that Mr. Haig had given a "green light" to Israel during a meeting in Washington in May with Defense Minister Ariel Sharon has also been put forward by Israeli authors in recent months.

State Department officials said that, despite the defeat suffered by the PLO in Lebanon that summer, the new secretary of state, Mr. Shultz, authorized Mr. Mroz in September 1982 to make one more effort to meet Mr. Arafat, who had been forced out of Beirut and was living in Tunis.

They said that Mr. Shultz, seeking to broaden the Middle East peace efforts to include the Palestinians, wanted Mr. Arafat to accept the U.S. conditions for recognition and facilitate diplomatic steps then under way in the aftermath of Mr. Reagan's Middle East

initiative of Sept. 1, 1982. But Mr. Arafat refused to see Mr. Mroz.

Clandestine Central Intelligence Agency contacts have been maintained for security and intelligence matters, officials said. But any effort to discuss ways of bringing about recognition of the PLO or any issue involving Arab-Israeli matters has had to be conducted through intermediaries.

Mr. Mroz confirmed that he served as intermediary. Asked why he did it, he said, "If I could get Arab recognition of Israel, there's nothing I could do that would be more important in my life."

He is known to believe that the PLO leadership was close to a favorable response to the U.S. proposal of April 29, 1982. Those ideas were presented in a document called a "Notional Text," an unofficial draft from the State Department that outlined what the PLO and the United States would have to say in order that "a direct dialogue" might begin between the U.S. government and the PLO.

West Bank Farmland Produces Own Conflicts

As Competition for Market Increases, Limits Are Imposed on Arab Growers

By David K. Shipley
New York Times Service

JERICHO, Israeli-Occupied West Bank — Against the brown earth of the Judean Desert, long sheets of plastic glitter in the winter sun like strips of silver, sheltering this season's crop of vegetables.

The scene is bucolic, but it contains the friction of the Arab-Israeli conflict. In the Middle East, a tomato is not just a tomato, nor an eggplant a mere eggplant. Its destiny is determined by whether it was grown by Arab or Jewish hands.

Arab and Jewish farmers, who work their fields as neighbors along the Jordan Valley, are in competition for a tight market.

The Arabs, who have learned from the Israelis the modern technology of growing under plastic with drip irrigation, have become so productive that the Israelis have moved to defend themselves with protective regulations.

"Might makes right," said an Arab farmer with a sour smile.

Under the rules, the Israelis may sell produce on the occupied West Bank, but West Bank Arabs are severely limited in what they may sell in Israel. Arab farmers and economists say the practice saturates the West Bank markets, depressing prices there, and keeps prices relatively high in Israel.

The Israeli authorities have also begun carrying out a military decree that limits the acreage each Arab farmer can plant in tomatoes and eggplants, the two Jordan Valley vegetables that are also grown abundantly by Israeli farmers.

"The Israelis have the right to sell to us whatever they want whenever they want, but we are not allowed to sell to them," said Basil Hussein, who studied agriculture at the American University in Beirut and has about 375 acres under cultivation.

He said last year, when he was free to plant as much as he wished, he put about 100 acres into tomatoes. This year, when he was required to obtain a permit to plant,

the Israeli Civil Administration of the West Bank allowed him only 37 acres of tomatoes.

He made up the difference in cucumbers, squash, peppers, beans and watermelons. No restrictions are imposed on bananas, his main crop, although he says he cannot sell them on the West Bank because Israeli bananas are cheaper.

Yoram Arzi, director of the Civil Administration's agriculture department, argued that the limitations, which also apply to Israeli growers, were for the farmers' own good.

For 16 years under Israel's occupation of the area agriculture was not a problem, he said, "because it was a primitive agriculture here."

He added: "But we thought it impossible to continue a primitive agriculture next to a modern agriculture. We taught the farmers to develop irrigation, plant protection, fertilizers, new varieties of cash crops, new techniques, machinery. So we brought the problem to ourselves."

Mr. Hussein acknowledges that he has gained immensely from Israeli technology. "We learned from the Israeli farmers, nobody can deny it," he said.

Israel's Minister of Agriculture, Shimon Peres, said, "If the West Bank were only for our producers, we would be in good shape." It would also help if West Bank produce could be sold in Israel, he said, but any wholesaler whose West Bank truck is caught in Israel without a permit has his whole load confiscated, so few take the risk.

The one market where the Arabs have an advantage is the Arab world, which will accept produce from West Bank and Gaza Strip Arabs, but not from the Jews. But the markets there are saturated, Mr. Matar said.

Europe is usually not open to Arab farmers from the West Bank and Gaza. Israeli exporters to Europe give priority to Israeli farmers, according to Ahmed Jaber, director of agricultural planning for the Israeli Civil Administration.

WORLD BRIEFS

Reagan Asks Big Salvadoran Aid Rise

WASHINGTON (NYT) — President Ronald Reagan has sent legislation to Congress calling for a fourfold increase in military aid for El Salvador this year.

Under the proposal, the aid would not be conditional on El Salvador's "demonstrated progress" in ending human rights abuses. Mr. Reagan's special commission on Central America, led by former Secretary of State Henry A. Kissinger, had recommended that the aid be tied to progress in human rights. Such a link would also have been required under legislation vetoed last fall by Mr. Reagan.

Plans for the request, which was made Friday, were reported last month by a White House official. The legislation, if approved, would bring U.S. military assistance to El Salvador to \$243.5 million for 1984, an increase of \$178.7 million over what Congress has appropriated. The administration is also seeking an increase in economic aid to \$235 million this year to \$332.6 million from \$198.6 million.

Kidnappers Free Italian Industrialist

VATICAN CITY (AP) — Kidnappers freed an industrialist Sunday after nearly a year's captivity in exchange for a ransom reported to total \$2 million. Police declined to disclose the sum, but confirmed that a ransom had been paid.

Carlo De Feo, 40, a business executive from Naples, was abducted Feb. 28, 1983, near Naples. He was released unharmed before dawn in the southern province of Reggio Calabria, police said. In a prayer last month, Pope John Paul II had appealed for his release.

The Italian news agency, ANSA, quoted unnamed sources who said Mr. De Feo's family had paid \$2 million in ransom. Police said he was abducted by the Camorra, a Mafia-style gang based in Naples. The gang sold him to a Calabrian organized crime group that arranged payment of the ransom, police said.

5 Killed in Indian State of Haryana

NEW DELHI (AP) — A curfew was ordered in Punjab in the northern Indian state of Haryana, after five persons were killed and 10 wounded Sunday in communal fighting triggered by armed militants, authorities said.

The latest casualties increased to 26 the number killed during six days of clashes between police and Hindus and Sikhs in Haryana and Punjab. The militants hurled insults and stones at Hindus from inside a Sikh temple, authorities said. The temple was set on fire. Meanwhile, police in New Delhi jailed about a dozen extremist Sikh leaders under a preventive detention law on Sunday.

Militant Sikhs in Punjab vowed to take revenge for the desecration of the Panipat temple. Curfews remained in force Sunday in the major Punjab cities, and paramilitary troops marched through the streets, reports from the area said.

South Africa, Mozambique in Talks

JOHANNESBURG (Reuters) — South Africa's foreign minister, R.F. Botha, was scheduled to go to Mozambique Monday for talks that may produce a security accord between the two countries.

Mr. Botha's delegation, which includes the defense minister, General Magnus Malan, and the minister of police and prisons, Louis Le Grange, is to meet a Mozambique team led by the minister for economic affairs, Jacinto Soares Veloso. Officials of the two countries have met previously to discuss ways of reducing tension, but analysts said Monday's talks could open the way for a meeting between P.W. Botha, the South African prime minister, and Mozambique's president, Samora Machel.

Security is regarded as the key to improving relations between the two countries. Pretoria wants to deprive black nationalist guerrilla groups, such as the African National Congress, of havens in Mozambique from which to launch attacks against the white-ruled republic. Mozambique, in turn, accuses South Africa of sponsoring the Mozambique National Resistance Movement, which is trying to bring down Mr. Machel's Marxist government.

New Fighting Reported in Gulf War

BAHRAIN (Reuters) — Heavy fighting broke out again in the central sector of the Gulf war from Sunday, and Iran accused Iraq of breaking its pledge to suspend air and artillery attacks on cities.

Both sides reported heavy fighting south of the Iranian border town of Mehran, where Iran launched an offensive Wednesday. Both sides claimed to have inflicted heavy casualties.

Iranian radio said the southern Iranian port of Abadan had been under heavy artillery bombardment since Saturday night and accused Iraq of breaking its promise to suspend fire. Last Monday Iraq said it would suspend air and missile strikes against Iranian towns for a week. Iran said Saturday that it would stop retaliatory air and artillery attacks but would strike back if Iraq resumed attacks on civilian areas.

Paris-Madrid Train Is Sabotaged

BAYONNE, France (AP) — A train traveling from Paris to Madrid with 110 passengers aboard hit a stretch of sabotaged track near the Spanish border Saturday and derailed at 60 miles (96 kilometers) per hour, but the action of a engineer avoided casualties, police reported.

They said the sabotage, reportedly by French Basque separatists, was "intended to kill." Railroad officials said the sabotaged track was at the spot where the train and one on the Madrid-Paris run would have passed each other had the second train not been delayed.

A police spokesman said that the engineer did not brake when the train struck the damaged track near Hendaye, which kept the sleeping cars from telescoping. Two of the 10 cars left the roadbed and four others jumped the tracks. Police found a note at the sabotage site claiming responsibility on behalf of the French Basque Iparretarrek movement. Iparretarrek, which in the Basque language means "those from the northern state," has said in the past it would not attack civilian targets.

Son of Polish Activist Is Found Dead

WARSAW (AP) — The son of a well-known Rural Solidarity activist was found dead in a well more than a week ago, a police spokesman in the central Polish city of Inowroclaw said Sunday.

Piotr Bartoszewski, son of Maciej Bartoszewski, died Feb. 9 and was buried Feb. 12, the police spokesman said. He refused to give the cause of death, but said Piotr Bartoszewski had been stopped by police for alleged drunken driving the night he died.

"He was driving a car, drunk," the spokesman said. "He was stopped by police and his blood was checked for alcohol. Then he was walking home through a field and fell into a well and killed himself. I can't give you any more details."

Ireland Investigates Bugging Charge

DUBLIN (Reuters) — The Irish government is investigating a charge that a Dublin house used by a Northern Ireland politician involved in talks on relations between the two countries was bugged, officials said Sunday.

The politician, Seamus Mallon, said police had been handed a microphonic and transmitter found at the house. Mr. Mallon, deputy leader of the mainly Catholic Social Democratic and Labour Party in Northern Ireland, has played a prominent part in the New Ireland Forum set up by the Dublin government to map out relations between the British province and the republic.

Government officials said Prime Minister Garret FitzGerald had passed information on the matter to the Justice Department.

For the Record

European Community foreign ministers made little headway at informal weekend talks aimed at preparing a financial rescue package for the community, diplomats said. The package is to be introduced at a Brussels summit next month. The talks, at a chateau in La Celle St. Cloud, west of Paris, followed the collapse of a December summit in Athens. (Reuters)

A Crimean war activist has been jailed for anti-Soviet slander, according to Pravda Vostoka, the main daily in the Soviet republic of Uzbekistan. Mustafa Dzheniyorov, 40, recorded foreign radio broadcasts and distributed tapes and transcripts, the report said. (Reuters)

A jailed Polish union leader is "rapidly deteriorating" after being on a hunger strike since Dec. 5, according to officials of the outlawed Solidarity union Sunday. Janusz Palnicki is demanding recognized status for political prisoners. (AP)

Stormie Jones, the 6-year-old who made medical history when she received a simultaneous heart and liver transplant, is breathing on her own, watching cartoons and drinking chocolate milk, a hospital spokeswoman in Pittsburgh said Sunday. The operation was completed Tuesday. (UPI)

King Hussein of Jordan returned home Sunday from an 18-day trip, which included a stay in the United States for medical examinations, officials sources said. The king was described as being in good general health. (UPI)

The Soviet Union on Sunday set off an underground nuclear explosion at a test site in western Siberia, a Swedish seismological institute reported Sunday. It was believed to be the first Soviet nuclear test this year. (UPI)

Business Investments by Moon Church Enrich Uruguay

(Continued from Page 1)

outspoken support for the government.

The church says it has three million followers around the world and assets worth several billion dollars. Rev. Moon was convicted of tax evasion in 1982 in the United States; he is appealing the conviction.

His church has been widely accused in North America, Europe and Asia of recruiting young people into an authoritarian cult. Rev. Moon, however, has defended his church as a Christian organization.

The Unification Church was virtually chased out of Brazil, where it was estimated to have had about 6,000 members in 60 branches. Crowds sacked its churches after television reports about its activities.

The church gained several hundred converts in Chile and Argentina, but acquired no particular influence in either country, apparently because of strong Roman Catholic opposition.

In Bolivia, the church won the favor of the government of General

Luis Garcia Meza. But Unification prominence ended shortly after when the general was overthrown.

In Paraguay, the church has closely associated itself with the government of General Alfredo Stroessner through one of the general's confidants, Juan Manuel Frutos, president of the Anti-Communist League and head of the government's Rural Welfare Institute. Through him, church members teach public courses on anti-communism in the offices of General Stroessner's Colorado Party.

Church officials said Uruguay was especially attractive because of liberal laws that allow easy repatriation of profits abroad. Moreover, Uruguay has a strong anti-clerical tradition.

Aiding church activities is the circumstance that General Alvarez's father-in-law, Segundo Flores, is vice president of the Uruguayan branch of the church's political wing, Causa. The president of Causa and editor of Ultimas Noticias is Julian Saffi, for many years official spokesman for the regime.

Church officials said the two men, who are Catholics, report abroad to Rev. Moon's assistant, Pak Bo Hi, a retired South Korean lieutenant colonel. A U.S. congressional committee investigating South Korean-American affairs in 1978 accused Mr. Pak of lavish lobbying in Washington and of being used by the Korean Central Intelligence Agency.

The South Korean said after General Alvarez was made president in 1981: "I know that the people and country of Uruguay are in good hands." The Unification investments began that year.

The church deposited more than \$50 million in the Banco de Credito and then took it over. It also bought the newspaper, three printing plants and the Victoria Plaza Hotel.

In 1983, the church announced plans to build a 35-story office tower and convention complex, and the government granted generous tax concessions.

The minister of labor, Nestor Boletini, a retired colonel close to General Alvarez, said the conces-

sions were normal inducements for needed foreign investment.

The investments are part of what church officials described as a worldwide strategy to focus on transportation and communications as a way to disseminate the church's messages. But the Alvarez government, under political pressure, turned down a bid to give the church a television broadcast license, business leaders said.

Opposition politicians have vowed to investigate the church once civilian rule returns.

"We're watching them very closely," Mr. Sangunetti, the Colorado leader, said.

Poll Shows Lead By Basque Party

Reuters

MADRID — The Basque Nationalist Party appears likely to win an absolute majority in parliamentary elections Feb. 26 in Spain's Basque region, according to an opinion poll published Sunday.

The findings of a survey of 1,200 people questioned between Feb. 13 and Feb. 16, reported by El Pais daily newspaper, indicated that the party would win 39 to 44 seats in the new 75-seat regional parliament. The poll showed that the Herri Batasuna coalition would win eight to 12 seats and the Socialist Party, 12 to 16.

The Basque Nationalist Party won 25 of the old parliament's 60 seats in the first elections under self-rule statutes in 1980 but governed with an absolute majority because of the refusal of the Herri Batasuna coalition, considered to be the political arm of the ETA guerrilla group, to occupy its 11 seats. The Socialists had nine seats.

There representing Camentation, the only British company seeking the contract.

The Conservative leader has insisted her son's business affairs are his concern and she did nothing to further them. But the weekly British newspaper The Observer, which revealed Mr. Thatcher's role a month ago, Sunday quoted close Thatcher associates as saying she was "incandescent with rage" over the continuing attacks on her.

The report also said Lord Whitelaw, the deputy Conservative leader, had urged "a somewhat fuller disclosure" by Mrs. Thatcher. The Times of London, a daily normally loyal to Mrs. Thatcher, made the same call last week.

Mark and his girlfriend, Karen Fortson of Texas, spent the weekend with Mrs. Thatcher at her country home, Chequers. They attended church together Sunday.

Thatcher Facing Test Over Son's Dealings

Reuters

LONDON — Prime Minister Margaret Thatcher of Britain, reported to be enraged about attacks on her over her son's business interests, faces a new challenge on the issue this week in Parliament.

Opposition parliamentarians plan to ask a House of Commons committee to rule that she should have declared the interests of her son, Mark, 31, and that she had broken its code of conduct by failing to do so.

Labor Party leaders made clear Sunday they would not let up in their attack on the Thatcher family over a 1981 agreement in which Oman awarded \$300-million (\$435-million) contract to Camentation International Ltd., a British company, to build its university.

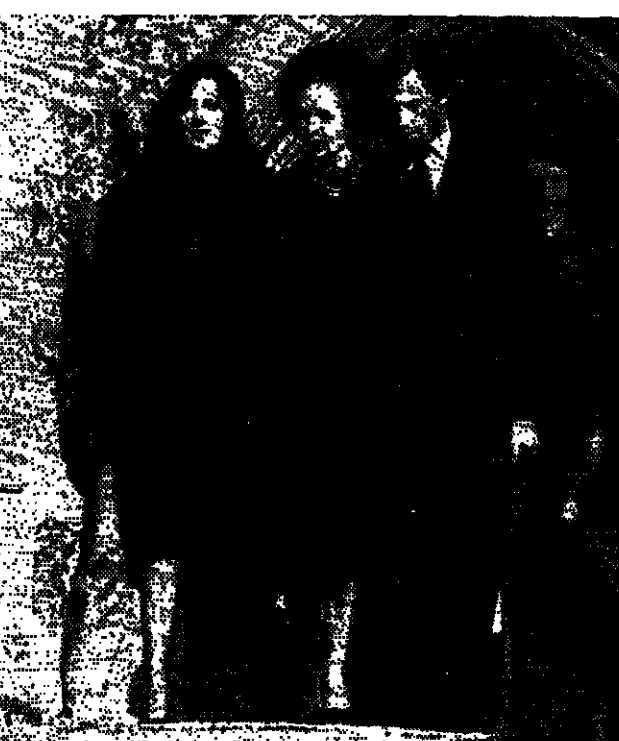
Mrs. Thatcher was on an official visit to Oman and was pressing for Britain to get the project at the same time as her son was

there representing Camentation, the only British company seeking the contract.

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Prime Minister Margaret Thatcher of Britain leads the way from church near Chequers Sunday, followed by her son, Mark, and his girlfriend, Karen Fortson.

Pope Beatifies 99 Killed In French Revolution

Reuters

VATICAN CITY — Pope John Paul on Sunday beatified 99 Roman Catholics who were executed for their religious beliefs during the French Revolution almost two centuries ago.

The 83 women and 16 men were given the title "blessed" at a ceremony in St. Peter's Square. The victims were killed in the Angers area of western France in 1793 and 1794. The clerics were executed for refusing to pledge faith to the nation and its revolutionary principles, and the lay victims were killed for refusing to abandon their religious beliefs.

The pope told worshippers that



A FIT OF FITNESS — President Ronald Reagan, 73, tests his strength by arm-wrestling with Dan Lurie, 61, editor of Muscle Training Illustrated magazine, in the White House Oval Office. Mr. Lurie presented Mr. Reagan a plaque, citing him as 'the best physically fit president of all time.' Mr. Reagan is the oldest U.S. president.

AMERICAN TOPICS

In Jail, on the Stump By the Telephone

Serving time in federal prison for food-stamp fraud is not keeping Tonnie Broadwater Jr., a former Maryland state senator, from pursuing his political interests. The powerful leader from Prince George's County, Maryland, has been lobbying against a bill that would prevent him from running to regain his former seat in 1986. He telephones state legislators from prison — sometimes collect, at taxpayers' expense.

Maryland law does not allow convicted felons to register to vote, and it stops them from running as candidates in Democratic or Republican primary. But because of a legal quirk an unregistered voter can run as an independent. This means that Mr. Broadwater, who first went to the state Senate as a Democrat, could run for his old seat as an independent candidate.

A bill to close the loophole is pending in the Maryland Senate. Mr. Broadwater supporters call it racist — Mr. Broadwater is black — charging that the legislators made no moves to restrict independent candidates after prominent white politicians were convicted of corruption.

Democrat Showdown In Massachusetts

The decision by Senator Paul E. Tsongas of Massachusetts not to seek re-election has touched off a stampede for his seat among Democrats, pitting several liberals against one another. The competition to replace Mr. Tsongas this November also has urged Elliot L. Richardson, a four-time cabinet member, back to his home state to run for the Republican nomination.

Representative Edward J. Markey, one of six Democratic contenders for Mr. Tsongas's seat, used U.S. Civil War imagery to describe the fray: "It's a wild race, with North against South, brother against brother." Mr. Tsongas had been considered a strong favorite for a second six-year term, but he stunned political circles with his announcement last month that he would not run again because he has cancer.



Elliot L. Richardson

Another congressman, James M. Shannon, and the state lieutenant governor, John F. Kerry, also are announced candidates. Like Mr. Markey, a 37-year-old advocate of a nuclear freeze, they are considered popular and effective liberals. What worries liberal leaders is that both Mr. Markey and Mr. Shannon will give up their House seats to run. Their leaving will have a domino effect, with young state legislators vacating their posts to seek the congressional seats.

Mr. Richardson, 63, a former U.S. ambassador to Britain, is the U.S. attorney general who resigned rather than obey President Richard M. Nixon's command to fire Archibald Cox as the Watergate special prosecutor. A lawyer in Washington, Mr. Richardson held state office before he went to the capital with the Nixon administration and still maintains a voting residence in Massachusetts.

New Rules Sought On Air Reservations

When travel agents call up plane schedules on their computer screens, it is no coincidence that flights of the leading airlines appear prominently on top of the lists where they are most apt to be seen and picked by agents and their customers. The country's two largest carriers, American Airlines and United Airlines, own the Sabre and Apollo computers that between them account for 80 percent of the reservation systems used by travel agents.

Small airlines have long complained that the systems give the big airlines an unfair advantage. Now, acting on a staff recommendation, the Civil Aeronautics Board has agreed to draw up rules that would prevent the reservation systems from favoring one airline over another.

If the regulatory agency follows its staff recommendations, an airline's identity could not determine its ranking on the flight list. The reservation systems could use other criteria to rank the available flights, such as departure times or fares.

Notes on People

Three former first ladies have said "yes" to invitations to a two-day forum on "Modern First Ladies: Private Lives and Public Duties" coming up at the Gerald R. Ford Museum in Grand Rapids, Michigan, in April. Betty Ford, Rosalynn Carter and Lady Bird Johnson will attend the session on the impact of U.S. presidents' wives on national events and presidential policies. Nancy Reagan and her husband will be on a trip to China. Jackie Kennedy Onassis and Pat Nixon will not attend either, but at least four presidential daughters are expected: Margaret Truman Daniel, Lynda Bird Johnson Robb, Luci Baines Johnson and Susan Ford Vance.

Fatigue Bears Down on Front-Runner

Big Lead in Polls Doesn't Spare Mondale the Ills of a Long Campaign Day

By Bernard Weinraub
New York Times Service

MANCHESTER, New Hampshire — Tired and perspiring, Walter F. Mondale climbed aboard his airplane at the San Juan, Puerto Rico, airport the other afternoon after a tumultuous rally at a local sports arena. The candidate asked an aide how many more events were scheduled that day.

The aide replied that there was a news conference and a rally in West Palm Beach, Florida. Mr. Mondale rolled his eyes, slumped in his seat with a soda and stared out the window as the plane left Puerto Rico.

Although the former vice president is leading in the polls for the Democratic presidential nomination, he is running hard, "running scared," one of his aides said the other night.

His associates said that Mr. Mondale's energy surprises them, especially in view of the fact that a decade ago he decided not to run for president because of the rigors and loneliness of a long campaign.

Moreover, members of his staff are a bit mystified at his lack of interest in food to build energy. His advance teams in Iowa and New Hampshire are informed before Mr. Mondale arrives on a trip that the candidate's breakfast consists only of a large glass of tomato juice and coffee. On the campaign plane, he munches on an apple.

In the 12-hour and 14-hour days, his voice sometimes weakens by

early evening, his eyes turn red, his speeches veer from fiery to tepid, depending on his level of fatigue.

He also turns short-tempered. When a reporter asked him the other day why the question of labor's influence in his campaign persisted, Mr. Mondale responded angrily. "Because people like you keep asking."

Mr. Mondale's aides winced; the television cameras were on and plainly showed a weary candidate.

To shore up the candidate's energy, Mr. Mondale's staff members provide "down time" for Mr. Mondale. This consists of two hours in a hotel, where he checks into a suite, takes a shower, changes his clothes and rests.

On a typical campaign day, Mr. Mondale may visit three or four cities, attending rallies and news conferences and participating in staged events, such as visits to hog farms and electronics factories, that are designed for local television coverage.

Late at night, after arriving at a motel, he seems to revive in a curious way, his aides say. Away from reporters and crowds, he sits with some of his aides over cheeseburgers and beer and talks until midnight or 1 A.M. about the day, about the flaws in his performance, about plans for the next day.

"The thing about Mondale that people don't realize is that this guy loves politics, he loves the game, said one of his closest aides. Mr. Mondale has read virtually

every book about President Ronald Reagan, and attacking the administration seems to buoy his mood. It is, however, when Mr. Mondale talks about his own family that audiences fall silent and listen.

"Dad was a Methodist minister. Mom was a music teacher," he told an audience in Des Moines. "All during their life they never had a dime. Wonderful family. They had their faith, they raised their kids. Their values were everything."

Mr. Mondale's voice softened. "You know most Americans are like that. Most of us in this room are like that. You're not going to get rich, but the chances are you're going to have a wonderful life, and that's where fairness comes in. You can lose your job. You can become ill. Kids can be born deaf and handicapped. We have to care. We believe in self-reliance but we must believe in compassion. We are not a jungle where just the richest and fittest prosper. We are a community, a family, we must care for one another."

The crowds in Nashua, Exeter, and Manchester, New Hampshire, were especially thick and enthusiastic the other day, but the candidate acknowledged, with a laugh,

that he was not the one they came to see.

For the day, Mr. Mondale was accompanied by Paul Newman. The actor was picked up in the campaign plane in White Plains, New York, and spoke briefly, and almost shyly, in behalf of the candidate.

At the end of the day, at a noisy reception at the Alpine Club in West Manchester, Mr. Newman introduced Mr. Mondale. As the candidate attacked the administration's arms control policies, Mr. Newman sat perspiring on stage in the overheated room. First, he loosened his tie. Then he removed his jacket, and women in the audience applauded.

Startled, Mr. Mondale turned, stared at Mr. Newman for a moment and said with a grin: "Are you finished yet?"

And then the candidate, who pays meticulous attention to the way he appears in public, removed his own jacket and tossed it at Mr. Newman. The gesture brought down the house.

■ Moratorium Proposed

Mr. Mondale, seeking to win the backing of supporters of a nuclear



Walter F. Mondale

freeze, said Saturday in Boston that as president he would initiate a moratorium on the testing and deployment of ballistic missile systems under development. The Washington Post reported.

Mr. Mondale made that announcement as he received the endorsement of a former arms negotiator, Paul C. Warnke, and some leaders of the national nuclear freeze movement.

Some polls have shown the nuclear freeze to have overwhelming public support in New Hampshire, where the first Democratic primary will be held Feb. 28.

Iowans Set to Begin Sorting the Candidates

By Howell Raines
New York Times Service

COON RAPIDS, Iowa — When they assemble in precinct caucuses Monday night across Iowa, a comparatively handful of that state's citizens will start the process in which the nation's 106 million registered voters will be called upon to choose the next president.

As they have done every four years since 1972, the Iowa caucuses mark the official start of the presidential campaign year. But the beginning of the 1984 campaign finds the Democratic and Republican parties confronted by very different political tasks in Iowa and around the country.

In the coming months, Democratic voters must select a presidential candidate from among eight major candidates who are in an increasingly bitter contest for the nomination.

Republicans must rally public support for an incumbent president who is riding a crest of personal popularity at the same time that his policies are stirring opposition among many important voter groups.

But it is the short-run implications of the Iowa Democratic caucuses that will draw the national political interest Monday. The estimated 80,000 to 100,000 Iowa Democrats expected to vote in 2,495 caucuses will provide the first electoral test for what Democratic strategists regard as the party's most powerful campaign organization of the modern era.

That organization belongs to former Vice President Walter F. Mondale, who has held first place in the major public opinion polls since he announced his candidacy a year ago.

The consensus among Democratic political professionals is that "the Mondale juggernaut" probably cannot be stopped unless the candidate is rejected by voters in the early contests for which the Iowa caucuses are expected to set trends.

For this reason, the candidates trailing Mr. Mondale in the polls are pouring resources into Iowa, into New Hampshire, which will hold the nation's first primary Feb. 28, and into the nine states that hold primaries or caucuses March 13, the "super Tuesday" of the campaign.

For Mr. Mondale's competitors, the Iowa contest has become a battle for second or third place and the chance to emerge from the pack and challenge the leader directly in later events.

But in Iowa on Monday, this Democratic infighting will take place under the shadow of things to come in the 1984 election year. President Ronald Reagan, who faces no major opposition for his party's nomination, has nonetheless decided to campaign Monday in Iowa.

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U.S. Foresees Problems in Producing New Single-Warhead Missile for '90s

By Wayne Biddle
New York Times Service

WASHINGTON — The Department of Defense says it can produce Midgetman, a single-warhead strategic nuclear missile, by the early 1990s but admits fundamental problems remain to be solved.

The department's written progress report on modernization of intercontinental missiles, which the secretary of defense is required by law to submit to the House and Senate Armed Services committees every year through 1988, is the first high-level assessment of engineering for the proposed single-warhead missile since the project was endorsed by the Reagan administration last spring.

The missile, informally called Midgetman, is to be the successor to the much larger, 10-warhead MX missile, whose initial production Congress authorized last year after bitter debate.

The Defense Department has requested \$715 million for the next fiscal year for Midgetman development, an increase of nearly 50 percent over 1984.

Air force projections of the program's cost, based on deployment of 1,000 missiles, have ranged from about \$65 billion to \$75 billion, depending on how the missile is based. An air force spokesman said he could not estimate the eventual size of the force or its cost since these could depend on future arms control agreements.

"I firmly believe the program described in the report will ensure that we have the capability to deploy the small ICBM [intercontinental ballistic missile] by 1992," Secretary of Defense Caspar W. Weinberger said in a letter dated Jan. 25 to the committee chairman. But in a section of the report entitled "Technical Challenges," he discussed unresolved problems involving the missile's launcher, guidance and weight.

Last April, the bipartisan Presidential Commission on Strategic Forces, under the chairmanship of Brent Scowcroft, a retired air force lieutenant general, recommended the smaller missile to President Ronald Reagan.

The commission said it believed a single-warhead missile would be more likely than the MX missile to be viewed by the Soviet Union as a retaliatory weapon, not one for an initial attack. In an amendment to the Defense Authorization Act of 1984, Congress stipulated that the Pentagon could not deploy more than 10 MX missiles until it began testing components for Midgetman.

By the end of December, the air force had awarded contracts to the Martin Marietta Corp., the Boeing Co., the General Dynamics Co. and the McDonnell Douglas Corp. for preliminary design work on the new missile. It also selected the Aerojet-General Corp., Hercules Inc., Morton Thiokol Inc. and

United Technologies to study rocket motors.

By next July all major contractors, totaling about 30, are expected to be chosen. Sometime in 1987, the manufacturers of the missile will be selected from this group of competitors.

The new report outlines a Midgetman system consisting of a 30,000-pound (13,600-kilogram) missile capable of carrying a 1,000-pound warhead as far as 6,000 miles (9,600 kilometers). It will be about 44 feet (13 meters) long and 4 feet in diameter. The MX weighs 195,000 pounds, is 71 feet long, nearly 8 feet in diameter and has a range of about 8,000 miles.

According to the report and air force sources, the leading choice for the new missile's launching system is a manned truck that could withstand winds of 600 to 900 miles per hour caused by nearby nuclear explosions from enemy missiles. Because such a "hard-mobile" vehicle has never been built, the report said that development of reinforced silos should also be "vigorously pursued."

"It is unclear at this time that a vehicle hard enough to permit basing only on Department of Defense lands is feasible," the report said.

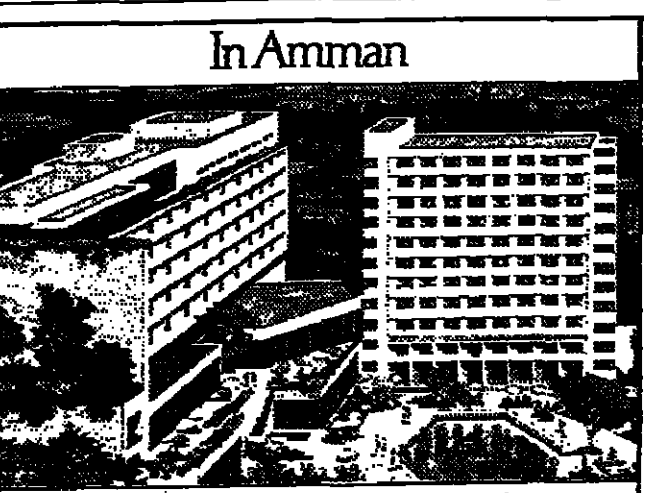
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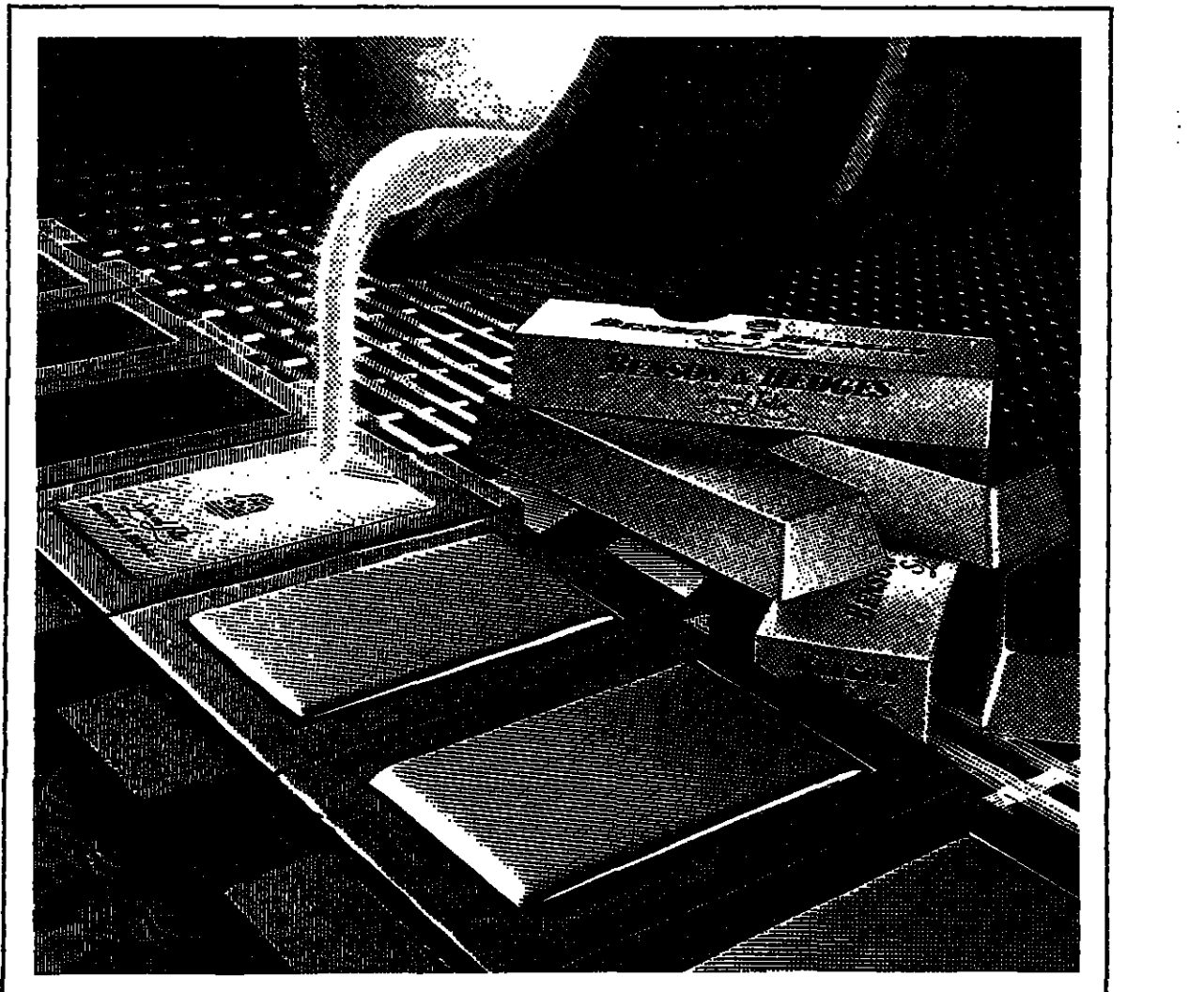
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In Amman

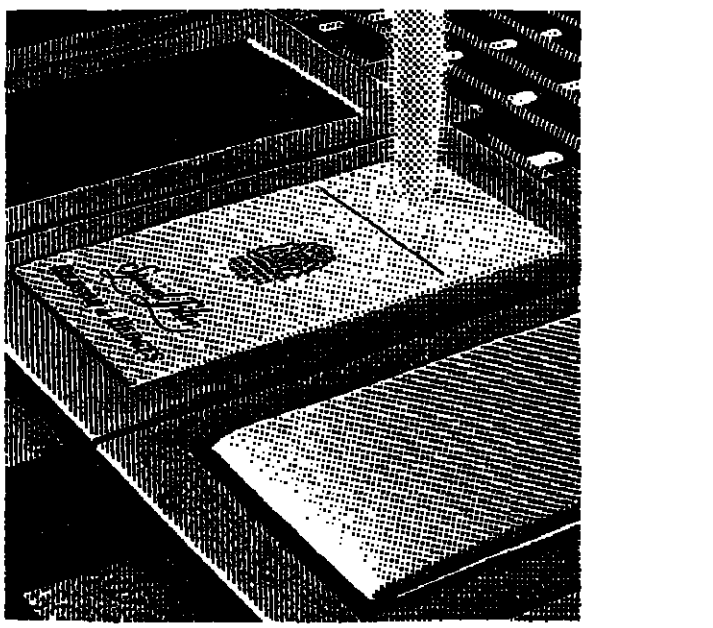
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Portugal Wary of Motives of Officers' Association

By John Darnon
New York Times Service

LISBON — Inside the Fortress of Good Success, an aging concrete structure on the banks of the Tagus River where the guns have not sounded in years, the walls are decorated with posters from the Portuguese revolution of almost a decade ago.

The posters capture the explosion of joy when army officers took over the streets of Lisbon with red carnations in their gun barrels. They depict soldiers and farmers, marching arm in arm toward a glorious future. They extol the Armed Forces Movement, the group of junior officers who overthrew 47 years of dictatorship, as "the sentinel of the people."

The fortress is not a museum. It is the headquarters of a new organi-

zation in the Portuguese Army called the Association of the 25th of April, founded as a "cultural association" to "consecrate and spread the spirit of the liberating movement" that began with the coup on April 25, 1974, which ushered in democracy.

The association is controversial, as might be expected in a country where the army held open political power from 1974 to 1976 and where civilian control over the military has only recently been consolidated. The military was finally deprived of political power in 1982, when a constitutional revision swept away the military Council of the Revolution, which was empowered, among other things, to veto legislation from the civilian parliament.

Founded in October 1982, the

association held its first general meeting in March 1983 and elected a president and executive board last month. It now has 1,900 members, about one-quarter of the officers on active duty in the 64,000-member armed forces. Conscripts are not admitted.

To some Portuguese politicians, the association is simply a club of army officers who once played a prominent role in national life, a harmless gathering of veterans who want to bask in recollected glory. To others, it is a welcomed movement that might lobby for progressive causes, a sort of Lions Club of the left.

But to some in the upper reaches of the government, the association is a potential threat to democracy, an instrument that may be used to politicize the army or may be taken over by the Communist Party in a rerun of the leftist coup that failed in 1975.

"The association is riddled with Communists," a high-ranking official said. "They don't take the top positions, because that's not the

way they operate. But they're there in the important organizational slots, hidden in the structure. Who knows what they have in mind?"

That theme is pounded home by the rightist press. It is rebutted by the group's civilian supporters, who say that it is natural for the association to include Communists — there were, after all, Communists prominent in the revolution — and that the leaders of the association are more closely aligned with the military group that defeated the badly planned leftist coup attempt on Nov. 25, 1975.

"These are the same men who stopped the Communist Party in 1975," a lawyer said. "It's ridiculous to think they would allow themselves to be used as stooges."

Major Vasco Lourenço, president of the association, says the members cover a spectrum of views ranging from Communist to Social Democrat. He scoffs at the idea that it could one day serve as an instrument for a leftist takeover.

"These kinds of accusations aren't new," he said. "In the MFA

[Armed Forces Movement] and the Council of Revolution, we were always accused of being Communists or a Communist pressure group. But the people know what we did, so these accusations don't pay off."

Apparently in a reference to Socialist critics, he added: "It's just not admissible that the same people who used us as a shield in 1975 should now turn around and accuse us in the press of having undemocratic feelings. We're the ones who returned the government to the civilians."

Major Lourenço, 41, was a key figure in the revolution. He was a main organizer of the group of 136 captains and lieutenants who met secretly in September 1973, a group whose discussions began with grievances within the army and moved on to a plot to bring down the regime. He was the only original member of the Armed Forces Movement left on the Council of Revolution when it was dissolved in October 1982.

Privately, he admits to a certain dissatisfaction with the way things are going in Portugal. Of what he calls the "three D's" — decentralization, democracy and development — only the first has been fully achieved, he says. But he insists that his group is there to protect, not subvert, democracy.

Another founding member of the association is none other than the president of Portugal, General António Ramalho Eanes, who squashed the 1975 coup attempt and was elected the next year as the man who saved Portugal from "going Communist."

General Eanes attended the association's inaugural meeting last year, while the Socialist prime minister, Mário Soares, conspicuously stayed away. The president says he believes the military group integrates various political views in the general direction of pluralist democracy, and he plans to remain a member as long as it maintains that orientation.

The association will admit civilian members soon, although they will not be allowed to vote or run for office.

Few foreign officials in Lisbon, including Western military attachés, say they see any restiveness in the army now. But with an active pro-Moscow Communist Party, the poorest economy in Western Europe and growing labor unrest, the political situation could become volatile in the future, many feel.

Balkan Nations Consider Plan for Nuclear-Free Area

The Associated Press

ATHENS — Delegates from five Balkan countries have ended a weeklong meeting with agreement to consider a Greek proposal for declaring the area a nuclear-free zone.

The call was praised by the Soviet Union, but criticized by the United States and Greece's other partners in the North Atlantic Treaty Organization. Diplomatic sources said Turkish delegates opposed it on grounds that "the right forum for discussing nuclear weapons control is the U.S.-Soviet talks in Geneva, not somewhere on the periphery." The Soviet Union broke off the Geneva arms talks late last year.

Among the Balkan nations, only Greece and Turkey — both with U.S. military installations on their soil — are known to contain nuclear weapons. Bulgaria and Romania favor a nuclear-free zone, but Yugoslav officials say it is not possible without U.S. and Soviet guarantees.

The conference issued a cautious communiqué Saturday saying the governments would consider "proposals registered during the meeting in order to continue the dialogue started at this conference."



Demonstrator holds a sign in the Breton language saying "Glory to God, Yes to Private Schools" during the protest. Center banner in French reads, "For the Right to Choose."

200,000 Protest French Private School Plan

United Press International

RENNES, France — More than 200,000 demonstrators paraded through Rennes to show opposition to government plans to restructure private education.

Police said 220,000 protesters took part Saturday in the five-hour march through the center of the city, 215 miles (346 kilometers) west of Paris. The Catholic organizers of the demonstration estimated the crowd at nearly 400,000. City officials said it was the largest public gathering in the city's history.

Twelve chartered trains, 3,200 buses and thousands of private cars brought marchers to the demonstration from all parts of the western Brittany region, where the percentage of children

attending mainly Catholic schools is the highest in France.

It was the third and largest of a recent series of protests aimed at swaying public opinion against the government's proposals for private education. Those proposals put forward by Education Minister Alain Savary for a partial integration of the public and private school systems are expected to be submitted to Parliament this spring.

Mr. Savary's proposals, published last month a year after the Catholic leadership rejected his original plans, include plans to change the method of funding and the public accountability of private institutions.

Demonstrators listened to speakers denounce Mr. Savary's

proposals. The Rev. Paul Guibert, secretary-general of the Catholic Teaching System, said the demonstration served as proof "before the entire country of the devotion to Catholic schools and the importance attached to freedom of education."

Catholic leaders have agreed to administrative changes in funding that would be made necessary by the government's decentralization program. But they have rejected proposed state-dominated bodies to oversee their operations and a plan to give private school teachers the status of civil servants.

Further demonstrations are planned in Lille later this month and in Versailles in March.

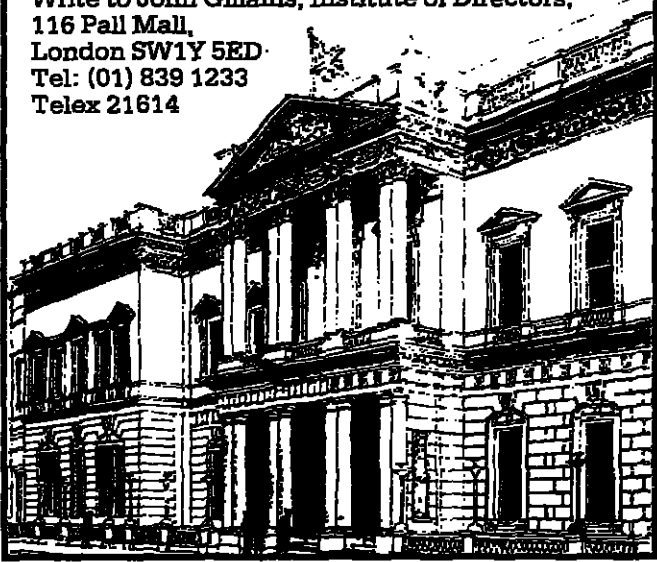
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U.S. Gives Arms Training in Nations Whose Troops May Stay in Grenada

New York Times Service

ST. GEORGE'S, Grenada — The U.S. Army, which training Caribbean forces to replace it when it leaves Grenada, is quietly teaching the same course in six other countries in the region.

The Caribbean force that came ashore here soon after the United States troops last Oct. 25 will replace the Americans. U.S. officials hope, although exactly when is not certain. The force was made up of troops from Barbados, Jamaica, Dominica, Antigua, St. Vincent and St. Lucia.

The most recent reports indicate that U.S. troops will be here at least until Grenada's next general election, which is expected this year.

The U.S. forces are also teaching some of the Caribbean units in their own countries how to be soldiers and sailors. Overall, \$18.5 million has been spent for training and coastal defense programs on Grenada and six other countries.

Last week, a group of U.S. Coast Guard officers arrived in Barbados to begin training courses on St. Lucia, Antigua and Dominica for the crews of three patrol vessels to be provided by the United States.

The military program is modest. Eight-man Special Forces teams are training about 250 men on the six islands of Jamaica, St. Kitts-Nevis, Antigua, Dominica, St. Lucia and St. Vincent. All are members of the Organization of Eastern Caribbean States.

Barbados, another organization member, is not included in the arrangement because it already has a small defense force.

After six weeks of instruction in the handling of small weapons, vehicle operation and basic military procedures, the men will replace troops from their islands who are now on Grenada. The men returning to their homes will then take the same six-week course.

Both the military and naval programs are coordinated by Commander Donald Dunn, a navy liaison official based at the U.S. Embassy in Bridgetown, Barbados.

"The United States has been interested in security assistance in the Caribbean for a long time," Commander Dunn said, "but there was never any money."

One problem was a law passed by Congress in the 1970s that bans the appropriation of money for police training. For the most part, it was policed that the islands wanted to train.

"Under British rule, the small Caribbean islands needed no armies — just police," Commander Dunn said. "Even after independence most did not want any military presence. Soldier-types hanging around doing nothing in a poor country can spell trouble."

Antigua and Dominica created small defense forces at one point and later disbanded them.

In December 1981, a coup was attempted on Dominica, apparently by some members of the disbanded defense force. Barbados, which has a force of 300 men, of-

fered to send help but could not afford the \$30,000 needed to transport them.

The U.S. State Department found the money "in some corner or other," Commander Dunn said, and the coup was put down.

That same year, Congress approved an initial \$1 million in military assistance that could be used for training any group, even police.

Then events overtook the planners and, with Grenada, the United States became directly involved in the eastern Caribbean. So far, \$15 million has been spent on arms and training for the 300 members of the Caribbean force here and their counterparts in their home islands.

In addition, the 1981 appropriation of \$1 million has grown to \$3.5 million and is being used for the three Coast Guard patrol vessels and the training of their crews.

Nearly 100 members of the Special Forces and about a dozen Coast Guard officers and men are involved in the two training programs. The patrol boats will be used to guard territorial waters, to protect fisheries and fishing vessels and, to intercept smugglers.

Madrid Marchers Seek Closing of U.S. Air Base

United Press International

MADRID — About 30,000 people chanting "Bases Out, No to NATO," marched toward a U.S. Air Force base Sunday demanding that the base be dismantled and that Spain withdraw from the North Atlantic Treaty Organization.

The fourth annual march against the Torrejon Air Base east of Madrid, organized by the Anti-NATO Committee, received support from a number of peace and leftist groups. The demonstrators marched eight miles (12.8 kilometers) from Madrid to the town of Torrejon, about two miles from the base.

28 in Salvadoran Military Are Killed As U.S.-Supplied Helicopters Collide

United Press International

SAN SALVADOR — Two U.S.-supplied helicopters on a counter-insurgency sweep collided Sunday, killing all 28 Salvadoran soldiers and crewmen on board, officials said.

A Defense Ministry spokesman said the crash was not caused by hostile action, although it occurred near the contested village of Nuevo Eden in San Miguel province, about 80 miles (130 kilometers) northeast of San Salvador. The Sunday morning broadcast of the

insurgents' Radio Venceremos, which usually reports any claim of responsibility in combat, action, made no mention of the crash.

The ministry spokesman gave details of the collision between the two military helicopters, which were backing a 4,000-man counterinsurgency operation in its third day in eastern El Salvador.

The ministry spokesman said two pilots, two co-pilots and 24 passengers were killed in the crash. All were listed as Salvadoran military personnel.

On the 'Edge of the World,' the Sun Dawns on a Celebration

By Serge Schmemmann
New York Times Service

MURMANSK, U.S.S.R. — Here, on the northern fringes of the inhabited world, sunrise is an occasion for a party.

It is not that the people of Murmansk are particularly given to superstition or paganism, but living north of the Arctic Circle teaches them not to take the sun for granted.

So, after seven weeks of darkness, the city turned out for a holiday on the last Sunday of January. Signs reading "Zdravstvui solntse" ("Hello, sun") went up around town, stalls were raised for amateur skis, and women in folk garb went out with baskets full of oranges, apples and candies. No matter that the sun was still limited to an orange glow on the hazy horizon.

Technically, the polar night had ended a week earlier, but because of the rolling hills surrounding Murmansk, it took the sun some time to gain enough elevation to become visible. The temperature was around minus 17 centigrade (zero Fahrenheit). An icy wind whistled up from the south.

The winds from the north are more tempered here by virtue of the presence of the Gulf Stream. Rounding the northern tip of Norway after its journey from the Gulf of Mexico, this ocean current spends its final reserves of warmth off Murmansk, keeping the waters offshore ice-free all year and accounting for the rise of this city of 400,000 in the inhospitable tundra.

Hazy and cold, it was nevertheless a day to be out in the streets, to affirm, despite evidence to the contrary, that days would get longer and warmer now that the long darkness was at an end.

In Semyonovskoye Lake, near a residential development, a cluster of dachas swimmers known as "morzhi" (walrus) were cawing in the icy water.

Neatly, a stage dominated by a huge, smiling sun was set up alongside a bus bursting with children. Groups of the children took turns dashing out to perform a skit or a song along the lines of "Let There Always Be Sunshine," and then scampering back into the warmth of the bus.

Beyond the stage, women rendered almost immobile by multiple layers of thick clothing dispensed steaming coffee and cookies. One woman, totally enveloped in scarves and shawls, called out, "Just tell me what you want and put the money down. I can't see you anyway."

Similar scenes occurred elsewhere among the concrete housing slabs stretched for about 10 miles (16 kilometers) along Kola Bay. In the Vale of Coziness, a winter sports complex so named because surrounding hills give it a bit of protection from the Arctic wind, several hundred young people massed for a cross-country ski race.

In the city center, on Kirov Square, sailors joined in an impromptu weight-lifting contest, and, as twilight gathered in midafternoon, a group of hands on shore leave from an icebreaker brought out vodka bottles and raised the first of many toasts.

The sun is an obsession at these latitudes. Old-timers describe the depressing effect the gloomy polar night has on newcomers and speak of a drowsiness that afflicts even longtime residents.

Cars, for example, are more readily available, and the department store has a boutique stocked with Romanian shirts, Polish shoes

and Czechoslovak suits. People in the fishing industry get bonuses for large catches that may swell their monthly income to more than 1,000 rubles, compared with a national average salary of 182 rubles.

Merchant seamen on Murmansk-based ships that earn foreign currency by carrying Western

cargoes can also do well. They draw part of their pay in hard currency, and return with jeans, stereos or other prizes that translate into small fortunes at the secondhand shop near the docks.

Big fortunes can be made, too, as the Moscow newspaper Sotsialisticheskaya Industriya reported recently. The crew of a fishing vessel had taken to peddling ship's nets, paint and other equipment, including several pounds of mercury smuggled out of Murmansk, for Western goods that were hidden in a ballast tank. The operation was uncovered when a customs inspector noted fresh paint on a hatch.

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Judge Frees Marcos' Foe From Weapons Charge

By Robert Trumbull
New York Times Service

MANILA — A judge has dismissed a weapons charge against Salvador H. Laurel, a leading political opponent of President Ferdinand E. Marcos.

The charge was dismissed Saturday, shortly after Mr. Laurel had rejected a conditional reprieve ordered by Mr. Marcos and insisted on immediate arraignment.

Mr. Laurel, 55, a former senator, was arrested and charged with illegal possession of a handgun Friday at the Manila airport as he was about to leave for the United States. Airport security officials said they had found a gold-plated Luger in his suitcase after he checked in for his flight. Mr. Laurel said the gun was "obviously planted."

According to Mr. Laurel, the gun had been planted to prevent him from traveling to the United States for speaking engagements to Filipino communities in San Francisco, Los Angeles, Chicago and New York and meetings in Washington.

[Mr. Laurel left Sunday for the United States. He said that in meetings scheduled with congressmen and State Department officials Thursday in Washington, he would "ask them to stop supporting Marcos." United Press International reported.]

Judge Dionisio Capistrano accepted Mr. Laurel's plea of not guilty and dismissed the case.

When he was arrested, Mr. Laurel denied ownership of the pistol and issued a statement saying it

had been planted in his suitcase. After he was formally charged, he refused to post bail and he and his wife spent the night in a local jail, sleeping on cots in the warden's office. Arraignment was set for Saturday morning in Pasay City, a Manila suburb.

A few hours after Mr. Laurel was arrested and charged, Leonardo B. Perez, Mr. Marcos' adviser for political affairs, issued a statement accusing Mr. Laurel of "baiting for martyrdom."

Still later, Mr. Marcos issued an order calling for a "reinvestigation" of the charges and for Mr. Laurel's immediate release so he could keep his speaking engagements in the United States.

At Saturday's arraignment, which was attended by Mr. Laurel's supporters and other opposition figures, a court officer read the order from Mr. Marcos.

Mr. Laurel, who is a lawyer, entered an objection to the order.

"I would very much like to proceed to the United States," he told Judge Capistrano, "but I would not like a shadow of doubt on my innocence of this criminal charge. I do not want to face the American people with that over my head."

"I ask that I be allowed to plead not guilty and that the case be dismissed. I would rather get a speedy trial and be completely cleared."

Judge Capistrano called a recess that lasted about 40 minutes, then reappeared to announce that the case was dismissed. Whether the prosecution can reopen the case later is a matter of debate in legal circles.

Argentine Reply to U.K. Asserts Falklands Claim

Compiled by Our Staff From Dispatches

BUENOS AIRES — Argentina has told Britain it will not give up its claim to the Falkland Islands as a condition for holding talks about them.

Foreign Minister Dante Caputo was quoted Sunday as saying, "Argentina replied last Thursday to confidential British proposals for a settlement of the dispute."

Mr. Caputo confirmed in an interview with Clarin, a Buenos Aires newspaper.

"The Argentine reply is marked by the desire for a peaceful solution, but at the same time by a very clear vindication of... our legitimate rights over the islands," he said.

"We cannot accept that the beginning of talks and negotiations on the Malvinas implies the tacit renunciation of the sovereignty claim," he added. Argentina calls the islands the Malvinas.

Prime Minister Margaret Thatcher of Britain has ruled out any talks on sovereignty over the islands, which Argentina invaded in April 1982 and Britain recaptured two months later.

The civilian government of President Raul Alfonsin took office in December, ending military rule, and press reports in Britain and Argentina have suggested that the two countries are close to resuming diplomatic relations.

In London, the Daily Mail quoted Mr. Alfonsin as saying that Argentina has accepted the British government proposals as a basis to begin discussions on the Falklands.

The Daily Mail said Saturday that in an interview Friday with a reporter, Amit Roy, Mr. Alfonsin said he would outline the situation to the Argentine people this week and that he hoped talks between Argentina and Britain could begin after that.

Mr. Roy quoted Mr. Alfonsin as saying, "We would like to start our discussions with an open agenda."

Mr. Roy wrote, "In this significant remark, President Alfonsin seemed to clear away the preconditions that have so far held up talks to open the way for the fairly swift resumption of diplomatic relations between the two countries."

Mr. Roy quoted Mr. Alfonsin as saying: "We have accepted the points that Great Britain would like to discuss and have added other points which we would like to discuss."

"We would be willing to explore any possible path toward the solution we are looking for. But, in any case, our solution for our problem is a peaceful one."

Mr. Caputo said that Argentina insisted in its reply that any settlement should include the lifting of Britain of a 150-mile (243-kilometer) exclusion zone around the islands, and demilitarization of the area under United Nations supervision.

Britain has rejected the involvement of UN peacekeeping troops, but Mr. Caputo said such a force would provide guarantees for Britain about Argentina's peaceful intentions.

"If they want some kind of guarantee, the presence of this international force would give it. At the same time, we are not going to feel the presence of this force as a threat," he said.

He said Britain was inconsistent in its statements about the dispute. "On the one hand the British send messages of dialogue, on the other they formulate rigid positions," he said.

Argentina announced its own settlement proposals on Feb. 1, calling for resumption of talks between Britain and Argentina at the United Nations, though these would not necessarily deal with sovereignty immediately.

Soviet Seeks U.S. Thaw, Pravda Says

United Press International

MOSCOW — The Soviet Union is prepared to normalize relations with the United States if the Reagan administration shows a desire for true equality, the Communist Party newspaper, Pravda, said Sunday.

In Kremlin talks between the new Soviet leader, Konstantin U. Chernenko, and Vice President George Bush after the funeral of Yuri V. Andropov, Mr. Chernenko "reaffirmed the Soviet readiness for negotiations, but honest negotiations based on equality and equal security," Pravda said in an editorial.

Mr. Chernenko told Mr. Bush that "if the American side were to show a practical willingness to abide by these principles, this would make it possible to start normalizing relations between the two countries," Pravda said.

"If, for instance, the United States were to obligate itself, as the Soviet Union has done, not to use nuclear weapons first, this would have a substantial influence on the world climate," the newspaper said.

It said that an international agreement not to use armed force at all "would also make for a sizeable measure of trust."

Both areas for possible improvement had been outlined by Mr. Andropov. But the editorial omitted the condition set forth several times by Mr. Andropov since the deployment of U.S. medium-range missiles in Europe last November — talks were impossible unless the United States was "prepared to return to the situation that existed prior to deployment."

Following the deployment of the missiles, the Soviet Union broke off the Geneva talks on medium-range and strategic missiles.

Mr. Bush said after Tuesday's meeting with Mr. Chernenko that it was too early to say if their talks could lead to a resumption of nuclear arms talks.

U.S. Officials Visit Vietnam

The Associated Press

BANGKOK (AP) — The highest-level U.S. government delegation to visit Vietnam since the end of the war there arrived in Hanoi on Sunday to discuss the issue of 2,500 Americans still missing in action, a U.S. Embassy spokesman said.

The group is headed by Richard L. Armitage, deputy assistant secretary of defense for east Asian and Pacific affairs.

Other deaths: George Platt Brett, 91, the president of the Macmillan Publishing Company from 1931 to 1958 who scored a publishing triumph by gaining the rights of Margaret Mitchell's "Gone With the Wind," Feb. 11 in Southport, Connecticut.

Marshall Pavel F. Baitsky, 73, who commanded the Anti-Aircraft Defense Corps of the Soviet Union for 12 years until his retirement in 1978, Friday, Tass reported.

Gjon Mili Dies; Pioneer Of Stroboscopic Photos

New York Times Service

NEW YORK — Gjon Mili, 79, one of the first photographers to use the electronic flash, died of pneumonia Tuesday at a nursing home in Stamford, Connecticut.

Mr. Mili, who lived in Manhattan, was a longtime contributor to Life magazine. He began using the flash in 1937 to freeze an instant of action in a photograph or, with a rapid series of successive flashes, make a frieze-like study of successive phases of the same action.

It was with a series of flashes, called stroboscopic photography, that he created his version of the Duchamps painting "Nude Descending a Staircase." He is perhaps best known for a photograph of Lindbergh in mid-air and one of Pablo Picasso as he sketched a figure in the air with a pen light.

Born in Albania, Mr. Mili emigrated to the United States in 1928 to study electrical engineering at the Massachusetts Institute of Technology.

Technology. He received an engineering degree and worked on research with Westinghouse Lamp Company until 1937.

In a 1977 interview, Mr. Mili said: "My generation came at a time when photography was advancing by leaps and bounds, creating the impulse to experiment and to seek new approaches."

Jesse H. Stuart, 76, novelist and poet of northeast Kentucky's hill country, died Friday in an Ironton, Ohio, nursing home. Comatose since 1982, he suffered a stroke four years earlier.

Author of nearly 50 books and numerous collections of poetry, Mr. Stuart was one of Kentucky's most popular 20th-century authors. His best-known work was the 1943 best-seller, "Taps for Private Tussie." He published his first literary work, "Harvest of Youth," now a collector's item, in 1930.

Mr. Stuart was Kentucky Poet Laureate since 1954. His 1975 collection of poems, "The World of Jesse Stuart," was nominated for a Pulitzer Prize. His 25 literary awards and honors included the American Poets Award.

Other deaths: George Platt Brett, 91, the president of the Macmillan Publishing Company from 1931 to 1958 who scored a publishing triumph by gaining the rights of Margaret Mitchell's "Gone With the Wind," Feb. 11 in Southport, Connecticut.

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The biggest battles were fought in the province of Kapisa, north of Kabul, where 96 insurgents were killed, 21 arrested and a large quantity of weapons and ammunition seized, the official Afghan radio said Saturday in a broadcast monitored here. It added that government troops had destroyed 18 rebel hideouts and two medicine depots.

In the province of Khost, which borders with Pakistan, 44 rebels were killed and one arms depot and one anti-aircraft gun captured, the radio said.

The other casualties were reported in the provinces of Parwan, north of Kabul, and Jozjan, in the northwestern part of the country, he broadcast made no mention of government casualties.

Last Thursday, Kabul said that 51 guerrillas had been killed in a day. That was the highest single-day toll since the Soviet Union intervened in Afghanistan in December 1979.

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SPORTS

Mahres 1-2 in Downhill



New father and slalom gold medalist Phil Mahre: 'At least we kept it in the family.'

SARAJEVO — Americans Phil and Steve Mahre, hitting their form when it mattered most, and on courses that wiped out most of the other top skiers, Sunday won the gold and silver medals in the Olympic men's slalom.

Steve Mahre set the fastest time in the first run, but made mistakes in the second, allowing his twin brother, who had a near-perfect second heat, to take the top prize in the final Alpine event at the Sarajevo Games.

The 26-year-old Americans finished more than half a second faster than anyone else. Phil Mahre had a two-leg time of one minute 39.41 seconds; Steve clocked 1:39.62 while Didier Bouvet of France took the bronze medal in 1:40.20.

The success of the Mahres — the third one-two finish by skiers from the same country at these Games — gave the United States a total of five Alpine medals, three gold and two silver, and eclipsed the previous U.S. Alpine best showing of four medals (none of them gold) in the 1964 Games.

The Mahres carved out their victory on two icy tracks that took out many of their major rivals. Six successive skiers in the top group — including Franz Gruber of Austria and Andreas Wenzel of Liechtenstein — missed gates in the first heat, leaving the Mahres well in command going into the second leg.

Other members of the top 15 starters who failed to survive the first run were Paul Frommelt of Liechtenstein, Anton Steiner of Austria, Paolo de Chiesa of Italy, Michel Canac of France and Max Lusa of Switzerland, the Olympic gold medalist in the giant slalom.

"On the first run, the course was extremely quick," said Phil. "But there's always a little luck involved. It would have been nice to have a tie, but you're there to win — at least we kept it in the family," he added.

Said Steve: "If it's not me, it better be him."

Only 47 of the 103 starters completed both runs. Both of the Mount Baldassari runs had vertical drops of 200 meters (656 feet); there were 60 gates on the first run and 58 in the second.

Missing from the field were slalom specialists Ingemar Stenmark of Sweden and Marc Girardelli of Switzerland, who were barred from the Games for having accepted endorsement money directly, in defiance of Olympic amateur statutes. Girardelli, an Austrian, does not have citizenship in Luxembourg, the country for which he races on the World Cup circuit.

During a season in which — until Sunday — neither Mahre had reached top form, Phil Mahre acknowledged he recently had thought a lot about quitting. "But," he said, "I zeroed in on the race today."

Both Mahres have said they intend to retire after the 1984 season; if so, Sunday's gold-silver finish would be a fitting end to their careers.

Phil, three times overall World Cup winner, had only one major medal in his collection — the slalom silver from the Lake Placid Olympics four years ago — while Steve added a silver to the gold he won in the world championships giant slalom in 1982.

"I can't believe it, I'm very happy," said Tom Kelly, the U.S. slalom coach, whose mistake in giving the twins the wrong starting bibs

cost Steve victory in a World Cup slalom at Parpan, Switzerland, last month. "We've had a lot of bad luck this season. We started out bad and we stayed bad — up to now."

"You've got to ski flawlessly to win a gold medal," Steve ruefully said after twice almost losing his balance in the second run and having to settle for the silver.

For Phil, Sunday's was a double celebration. Two hours after his victory he learned that his wife, Holly, had given birth to a boy in Scottsdale, Arizona.

"I learned about the birth just before I left the village for the awards," Phil said after the ceremony.

Holly was doing all the work and I was out playing," he added. "She backs me all the way. It's just unfortunate she can't be here today and my heart goes out to her."

Bouvet, 22, never before higher than eighth in a major race, had a stylish second run to edge out Sweden's Jonas Nilsson for the bronze. Nilsson was second after the first heat, but dropped to fourth place with a 1:40.25 total.

Italian Oswald Totsch, fastest in the second heat with a powerful run, took fifth overall in 1:40.48, ahead of Bulgarian Petar Popangelov in 1:40.68.

Yugoslav Bojan Kizaj, cheered on by the crowd, had the second-fastest second heat to move up from 10th to seventh. Swedes Lars-Göran Halvarsson and Stig Strand were eighth and ninth and Switzerland's Thomas Bürgler was 10th.

An enormous crowd — estimated at 55,000 — was repeatedly asked via loudspeakers to stop whistling and booing non-Yugoslav racers.

Hoppe Leads E. German Sweep

Compiled by Our Staff From Dispatches

SARAJEVO — Wolfgang Hoppe collected his second Olympic gold medal Saturday, dominating the four-man bobsled race to complete an East German double of the sledding events, while a U.S. sled driven by a New York State Police trooper finished a surprising fifth.

The sweep of the gold and silver medals in the two events by the

same country was unprecedented in Olympic bobsled history.

Hoppe, 25, a mechanical engineer in the East German Army, was the driver of the sled that posted the fastest times in all runs for both the two-man and four-man events, shattering all the records for the Trebević Olympic track.

His four-run total was 3 minutes, 20.22 seconds. He had runs Saturday of 50.18 and 50.21, far from his

four-man track record of 49.65 set on Friday.

"I wasn't concerned with records," Hoppe said after Saturday's final.

"The only thing I was interested in securing was an East German 1-2 placing, just like we did in the two-man race."

Teammate Bernhard Lehmann won his second silver medal with a total of 3:20.78. The No. 1 East German sled bettered Lehmann by a .56 second margin through four runs down the track. Lehmann edged Silvio Giobellina of Switzerland, third in 3:21.39 and the only real competition for the East Germans.

Another Swiss, Ekkehard Fasser, was fourth in 3:22.90 and Jeff Jost of the United States came from ninth to finish fifth overall in 3:23.33. The 36-year-old veteran was clocked Saturday in 50.89 and 50.64 — his fastest time all week on the 4,084-foot (1,320-meter) course.

Just had been riding his sled only since Wednesday, the last day of the trials. In six runs down the course, he clipped more than 1.5 seconds off his previous best time of 52.17.

The strong U.S. finish and the disappointing showing of the Russians were the highlights of the four-man competition.

Jost came in ahead of the celebrated Soviet torpedo-shaped bobsled driven by Yury Klapov, which had been soundly beaten in the two-man race.

Klapov, fourth after the first day of competition, finished sixth Saturday in 3:23.51.

Hoppe had come to Sarajevo hearing nothing but talk of the new aerodynamic sled that the Russians were supposed to have. But every time he ran his sleds down the Mount Trebević course his were the best times.

And each step of the way it was teammate Lehmann, not the Russians, who was right behind him.

Hoppe, 26, is a versatile athlete, having competed in decathlons in East Germany as a teenager. He began bobsledding in 1982 and first entered international competition last year.

Nykaenen Easy Winner in 90 Meters

The Associated Press

SARAJEVO — Matti Nykaenen of Finland, with the two longest jumps of the competition, easily won Saturday's 90-meter Olympic ski jumping.

Nykaenen had jumps of 381 and 364 feet (116.1 and 110.7 meters) in accumulating 231.2 points. Nykaenen's first jump set a hill record at the Malo Polje jump site 23 miles south of Sarajevo.

Jens Weissflog of East Germany, gold medalist in the Games' 70-meter competition, finished with 213.7 points to take the silver medal.

Pavel Ploc of Czechoslovakia won the bronze over American Jeff

Hastings by a slim 1.7 points. Weissflog had jumps of 351 and 353 feet. Ploc, ninth after the first jump, uncorrupted a 358-foot flight that gave him a total of 202.9 points and knocked Hastings into fourth place.

Hastings was in 12th after a mediocre first-round jump of 336 feet but finished with an effort of 351 feet for 201.2 points.

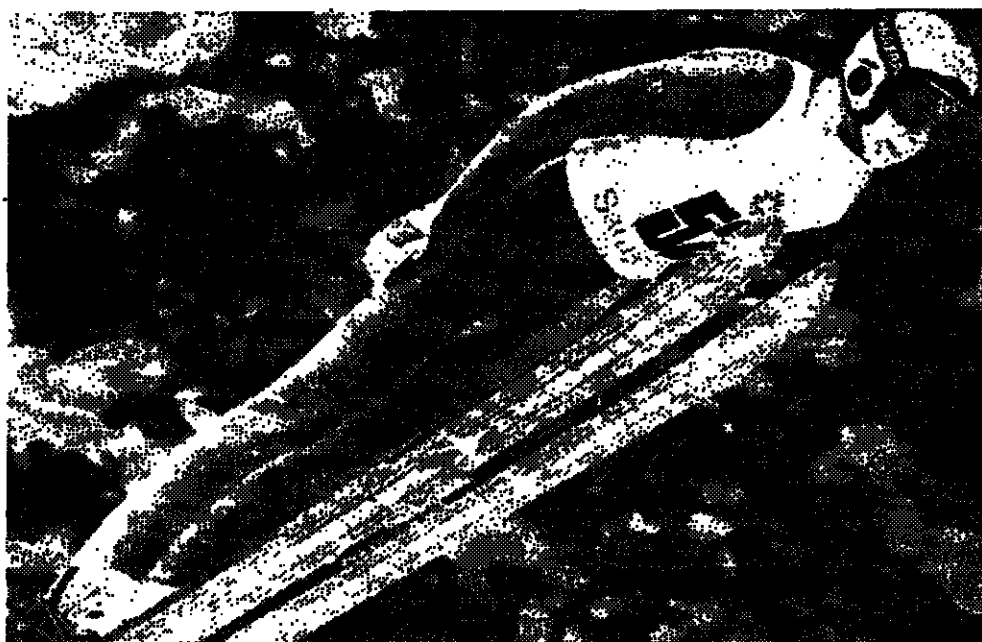
"That last one, I'll take it any way, any day," said Hastings. "It was a high one. It was great."

Nykaenen, the junior world champion in 1981, was last year's World Cup titlist and was second this season coming into the Olympics. Five times this season he had

finished second — including last weekend, when he settled for the silver behind Weissflog after leading the 70-meter event after the first jump.

"When he's on, he's on, and nobody can touch him," said Hastings of Nykaenen on Saturday. "It's pretty depressing that everyone is skiing for second place."

Hastings, of Norwich, Vermont, narrowly missed becoming the first American in 60 years to win an Olympics jumping medal. The last was Anders Hagen in 1924; Hagen did not receive his medal until 50 years later when Olympic officials were made aware of an error that dropped him to fourth.



Champion Matti Nykaenen: 'It's pretty depressing that everyone is skiing for second place.'



Olympic champion Katarina Witt.

Witt Skating Victor; Sumners's Bid Fails

By Jane Leavy

Washington Post Service

SARAJEVO — She knew she had to skate her heart out. But when it mattered most, Rosalynn Sumners left out the heart of her program.

In those last moments when the Olympic gold medal might have been hers, Sumners held back. She turned a triple jump into a double, a double into a single and a dream into a question mark.

Why? "It will probably haunt me tonight," she said. "I can't let it haunt me the rest of my life."

Katarina Witt of East Germany leaped into the void. She did three triples, one less than she planned, one more than Sumners, and hit all of them. And so, for the second consecutive Olympics an East German skater dethroned a reigning U.S. world champion as Witt won the gold and Sumners remained in second place for the silver.

"I told her, 'You have to go out and do it,'" said Sumners' coach, Lorraine Borman. "I tried to say that for days, all day Friday and today. You can't stand by the boards and yell, 'Do it.'"

Witt stood at midstage watching Sumners skate. Surely she must have calculated the effect of the omissions, Witt said. "I saw Rosalynn's free program and I saw the marks and I didn't think I won the gold medal," she said. "I believed it when I saw the result on TV."

It was also a night when the favorite for the 1988 gold medal stepped forward. But for a mistake on her opening jump, the difficult triple flip, Tiffany Chin, 16, of the United States might have won the bronze medal. Instead, it went to Kira Ivanova of the Soviet Union.

"It was like someone else was pushing me out there on the ice," said Chin, who finished third in the long program and second overall for the skating portions of the competition. She was held back by finishing 12th in the compulsory.

But Saturday night, the

struggle was between Witt and Sumners, and as it turned out, within Sumners herself. Both have been known to succumb to nerves. Only Witt proved nerveless Saturday night.

She opened her four-minute program, emphatically, staking her claim. Almost before the German music started — "I've Got Rhythm" — she was soaring into a split jump, then a double loop, then a double loop combination. She maintained the momentum through to her final whirling scratch spin.

Witt received all 5.8s for technical merit, except for one 5.9 and one 5.7 from the U.S. judge. For artistic impression: all 5.8s and 5.9s except for one 5.7 from the Yugoslav judge.

The marks were still on the scoreboard when Sumners came onto the ice. She seemed to have trouble getting loose; the lightest proved prophetic.

Sumners skated elegantly. But midway through the program, she omitted the first of four planned triple jumps, a triple loop, the last 30 seconds of her program called for a split-triple loop combination and a double axel. Instead she did a double loop loop and a single axel. Going out softly instead of with a bang.

Judges, who study the content of a skater's program so they know what to expect, marked her down accordingly in technical merit. She received 5.6 from both the Yugoslav and East German judges, which gave Witt a one-judge advantage in technical merit.

Her marks for artistic impression were as high as Witt's. She even received a perfect 6.0 from the Italian judge. Had she been marked one tenth of point higher for technical merit by either the Canadian or West German judges, Sumners not Witt, would have had a 5.4 advantage. Sumners said if she had done the program the way she was supposed to, she would have won.

Sumners struggled to explain what happened. "I let up," she said. "I think I got a little excited."

Speed Skater Malkov Edges Gustafson for 10,000 Gold

The Associated Press

SARAJEVO — Igor Malkov of the Soviet Union won the Olympic 10,000-meter speed skating competition event here Saturday to take his second medal and first gold of the Games.

Malkov outdueled Tomas Gustafson of Sweden, winner of the 5,000-meter race, to win the race in 14 minutes, 39.90 seconds — by five one-hundredths of a second ahead of Gustafson. The Swede had won the gold in the 5,000-

meter race by an even smaller margin, .02 seconds over Malkov.

Third in both races was Rene Schoof of East Germany, who clocked 14:46.91 Saturday.

The 10,000 was the last of the Games' nine speed skating events, and for the first time in 20 years the United States failed to win a medal in the sport. But none of the Olympic records set by American Eric Heiden at the 1980 Games was bettered, including his 10,000-meter time of 14:28.13, which is still the world record.

(AP Wire)

(AP Wire)

OLYMPIC MEDALS

Final Totals	Gold	Silver	Bronze	Total
Soviet Union	4	10	9	23
East Germany	9	9	4	22
Finland	1	1	1	3
Norway	2	2	4	8
United States	4	4	0	8
Sweden	1	2	2	5
Czechoslovakia	0	2	4	6
Switzerland	2	2	1	5
West Germany	2	1	1	4
France	0	1	2	3
Italy	2	0	0	2
Liechtenstein	1	0	0	1
Britain	1	0	0	1
Japan	0	1	0	1
Yugoslavia	0	1	0	1
Austria	0	0	1	1

FIGURE SKATING

Women's Final Standings (With Saturday's factored placements in free skate, which counted for 50 percent of the total score)

1. (Gold) Katarina Witt, East Germany, 1.8
2. (Silver) Rosalynn Sumners, U.S., 2.0; 4.4
3. (Bronze) Kira Ivanova, Soviet Union, 2.0; 4.4
4. Tiffany Chin, U.S., 2.0; 11.6
5. Anna Kondratyeva, Soviet Union, 2.0; 11.6
6. Elaine Zepko, U.S., 4.0; 14.2
7. Monique Ruben, West Germany, 7.0; 15.0
8. Elena Voznesenskaya, Soviet Union, 11.0; 15.0
9. Claudia Lachauer, West Germany, 8.0; 17.4
10. Sandra Dubravac, Yugoslavia, 8.0; 17.4
11. Sandra Carbell, Switzerland, 12.0; 20.0
12. Kay Thomson, Canada, 16.0; 20.0
13. Elizabeth Oberle, Canada, 13.0; 25.4
14. Norihiro Ohtsubo, Switzerland, 14.0; 28.2
15. Karin Tselser, Italy, 16.0; 28.6

HOCKEY

Final Qualifying Standings

Group A	W	L	T	Pts	GF	GA
Soviet Union	5	0	0	10	42	5
Sweden	3	1	1	7	24	15
West Germany	1	4	0	2	16	37
Poland	1	4	0	2	15	37
Italy	1	4	0	2	15	31
Yugoslavia	1	4	0	2	15	37
Group B	W	L	T	Pts	GF	GA
Czechoslovakia	5	0	0	10	34	7
Canada	4	1	0	8	24	10
Finland	2	2	1	5	27	19
United States	1	2	1	3	16	17
Poland	1	4	0	2	12	37
Norway	0	4	1	1	15	44

SPEED SKATING

Men's 10,000 Meters

1. (Gold) Igor Malkov, Soviet Union, 14 minutes, 39.90 seconds.
2. (Silver) Tomas Gustafson, Sweden, 14:40.25.
3. (Bronze) Rene Schoof, East Germany, 14:46.91.

CROSS COUNTRY

Women's 30 Kilometers

1. (Gold) Marja-Liisa Hämäläinen, Finland, 1 hour, 1 minute, 45.0 seconds.
2. (Silver) Raita Salmela, Soviet Union, 1:18:26.7.
3. (Bronze) Anna Johansson, Norway, 1:20:13.4.
4. Monika Pauls, Czechoslovakia, 1:20:16.9.
5. Marie Råberg, Sweden, 1:20:31.6.
6. Brit Pettersen, Norway, 1:21:01.8.
7. Lubov Liodova, Soviet Union, 1:20:53.3.
8. Evi Krutser, Switzerland, 1:20:58.4.
9. Pirko Mäkelä, Finland, 1:24:37.4.
10. Gulnida Abdullina, Italy, 1:24:44.1.
11. Inger Helene Nymoen, Norway, 1:26:07.2.
12. Kvetoslava Jerinova, Czechoslovakia, 1:26:54.3.
13. Tamara Markachanskaya, Soviet Union, 1:28:01.7.
14. Marit Myrnes, Norway, 1:28:07.9.
15. Yulia Shevchenko, Soviet Union, 1:28:33.4.

SKI JUMPING

Men's 90 Meters

1. (Gold) Matti Nykaenen, Finland, 231.2 points, 34-2; 23.2 points.
2. (Silver) Jens Weissflog, East Germany, 213.7; 20.2.
3. (Bronze) Pavel Ploc, Czechoslovakia, 202.9; 20.2.
4. Jeff Hastings, U.S., 201.2; 20.2.
5. Jari Pulkkinen, Finland, 200.4; 20.4.
6. Armin Kotler, Austria, 200.4; 20.4.
7. Andreas Bauer, West Germany, 200.4; 20.4.
8. Stefan Stenmark, East Germany, 201.2; 20.2.
9. Harald Bui, Canada, 201.4; 20.1.
10. Tomas Dolar, Yugoslavia, 203.4; 20.8.
11. Ljudmila Dzhugach, Czechoslovakia, 207.9; 21.3.
12. Pirko Mäkelä, Finland, 207.9; 21.3.
13. Pentti Kähkönen, Finland, 220.1; 22.4.
14. Vojko Bojic, Yugoslavia, 220.4; 22.4.

ALPINE SKIING

Men's Slalom

1. (Gold) Phil Mahre, U.S., 1:39.62.
2. (Silver) Steve Mahre, U.S., 1:40.25.
3. (Bronze) Didier Bouvet, France, 1:40.25.
4. Jonas Nilsson, Sweden, 1:40.25.
5. Oswald Totsch, Italy, 1:40.48.
6. Petar Popangelov, Bulgaria, 1:40.68.
7. Balon Kizaj, Yugoslavia, 1:40.68.
8. Lars-Göran Halvarsson, Sweden, 1:40.68.
9. Stig Strand, Sweden, 1:40.68.
10. Thomas Bürgler, Switzerland, 1:40.68.
11. Tamaz Garmak, Yugoslavia, 1:40.68.
12. Toshihiro Kohno, Japan, 1:40.68.
13. Jure Kuril, Yugoslavia, 1:40.68.
14. Markus Hubrich, New Zealand, 1:40.68.
15. Borislav Kristov, Bulgaria, 1:40.68.
16. Italy 11 (Giovanni Geronzi), 1:40.68.

BOBSLED

Four-Man

1. (Gold) East Germany I (Wolfgang Hoppe, Bernhard Lehmann, Dieter Schauerhammer, Andreas Kirchner), 3 minutes, 20.22 seconds.
2. (Silver) East Germany II (Bernhard Lehmann, Bastian Muehl, Ingo Voss, Eberhard Weber), 3:20.78.
3. (Bronze) Switzerland I (Silvio Giobellina, Heinz Stettler, Urs Sommer, Rico Freymüller), 3:21.39.
4. New Zealand (Jeffrey Jost), 3:23.33.
5. United States I (Yuriy Klapov), 3:23.51.
6. Italy 11 (Giovanni Geronzi), 3:23.77.
7. Werner Jäger, Austria, 15:07.9.

A \$10,000 New Sled

By Dave Anderson

New York Times Service

SARAJEVO — Up behind the start of the bobsled run at the XIV Winter Olympics, the garages of Gasoline Alley at the Indianapolis 500 had been dropped into a snowbank. Inside small, rustic wooden sheds, four-man sleds from 15 nations were being tucked in for the night before Saturday's third and final runs down Trebević's icy chute. Near the U.S. shed, Al Hachigian, the manager of the American team, glanced over at East Germany's two sleek sleds, each a glossy azure blue.

"Look at those things," he said. "They look like they're going 50 miles an hour right there."

In Friday's first two runs, East Germany I, with Wolfgang Hoppe driving, had averaged 58 and 57 miles an hour (91.7-93.3 kilometers an hour) in taking the lead with a total time of 1 minute, 39.83 seconds. East Germany II was second with a 1:40.02 time.

The two U.S. sleds, driven by Jeff Jost and Brent Rushlaw, respectively, were a creditable ninth and a disappointing 15th.

Jost, a 36-year-old state trooper from Malone, New York, had steered United States I after only two practice runs. The sled had been purchased Tuesday from the Swiss for \$10,000 by Robert Landau, the owner of the New York firm that represented the Sarajevo Olympic Organizing Committee in the United States.

"I lined up the deal," Jost was saying, while eating a sandwich next to his dark blue sled. "I went over to talk to Hans Hildebrand of the Swiss team and when he started talking about selling his sled, I told him I'd buy it."

"We had hoped to buy an East German sled but they wouldn't sell us one," explained Lester Fenner, the U.S. coach. "Hans was angry that he had been out from the Swiss Olympic team, that he wouldn't be driving either of their sleds. Usually a sled is sold after a competition ends, but this time Hans was willing to sell it to us before the Olympics."

"We asked Hans how much," Hachigian said

Herald Tribune

Published With The New York Times and The Washington Post

Beyond Handshakes

Like the skiers at Sarajevo, Soviet and American leaders are suddenly bathing their Olympic rivalry in a great show of camaraderie. Over the bier of Yuri Andropov they rediscovered a taste for better relations, with Konstantin Chernenko, according to an approving President Reagan, proposing talks to keep regional conflicts under control and to prevent "inadvertent" use of nuclear weapons.

Politics, you say, by people who only recently were calling each other liars. Well, of course. Mr. Reagan has a strong desire to overcome the American voter's fear of the anti-Soviet belligerence. The Politburo would welcome some international calm while it adjusts to a new regime that may itself be only transitional.

But the best diplomacy is grounded in domestic imperatives. If Mr. Reagan finally restores some balance to his dealings with Moscow, many American interests will be served. And if the Politburo is now eager, against its recent resolve, to deal with Mr. Reagan, it can help to insulate relations from quadrilateral upheaval. Once Ronald Reagan engages in acts of détente, no Democrat will ever fear them quite so much.

Besides, as the Olympic athletes will testify, civility and a good code of conduct are not just for show. They relieve tension and help to tame the fiercest competition.

The problem now is how to get beyond handshakes. Arms control is the urgent issue. Yet if that were the highest priority of both governments, there would be no need to celebrate mere handshakes. Of course, arms control. But how to exploit a few months of uncertain friendliness to get to truly serious negotiations in 1985?

First, negotiate an agenda of concerns that can be answered by modest agreements or unilateral actions. When they stood in these same foothills last summer, the superpowers

envisioned reopening consulates and cultural exchanges and the like. Then came the Korean Air Lines disaster to shatter the mood. Air travel is one good place to start.

Americans will not lightly forget the attack on that plane, even if most now assume it was not intentional. The Russians will not lightly apologize for mistakes that impugn their military competence. What both can do is join in efforts to protect civilian airliners and reopen air links between themselves.

Afghanistan and Nicaragua are not regional conflicts threatening to get out of control, but they are places where the superpowers could relieve each other's concerns while they draw back from interventions. It is worth a try.

And for a practice run at that kind of diplomacy, they might look to Lebanon, where Mr. Reagan has already taken a prudent step back from confronting the Russian troops in Syria. The president wrongly blamed Moscow for blocking his "preference" for a UN peace-keeping force in Lebanon; he never tried. Let him seek a veto-proof arrangement now.

Reducing sales of conventional arms is a worthy but difficult project. Why not begin with joint actions against terrorism?

Mr. Reagan could also reassert his interest in more humane treatment of Soviet dissidents. Indeed, he is probably strong enough politically to propose a way around the punitive Jackson-Vanik amendment by which Congress unsuccessfully tried to promote free emigration in return for enlarging Soviet trade.

Meanwhile, let diplomats quietly sort out the complaints about violations of past arms control treaties. Here is where not just trust but rules must be made to work. True arms control begins with a satisfactory accounting of weaponry, and such accounting, best of all, would finally end the unreasoned hostility.

—THE NEW YORK TIMES

And Now the Fun Begins

We approach, at last, the first occasion when ordinary Americans will be able to walk in off the street and vote for a candidate for president in a contest that counts. On Monday night Iowa Democrats, and Republicans as well, will gather in schoolrooms, fire halls and houses and declare before their neighbors whom they favor for president. As they speak, it will already be more than halfway to November, if you count from the day when the first candidate started campaigning.

People's attention has yet to be fully engaged. Lately, many have been watching not the Democratic candidates but the marines being withdrawn from Lebanon, Yuri Andropov being buried by his colleagues, and everybody's daredevil screaming down icy tracks in Sarajevo. The results of national polls fluctuate, but the only really hard number in them now is the percentage of voters ready to reelect President Reagan against Democratic candidates who remain, for many voters, not much more than names. Though observers in Washington seem to assume that Mr. Reagan will win again, that one hard number hovers around 50 percent — not an overwhelming vote of confidence for an incumbent.

The Iowa caucuses are a contest not for ordinary voters but primarily for party activists: about 100,000 of the 600,000 Iowans who usually vote Democratic are expected to attend. From all accounts, Walter Mondale is far ahead of his seven rivals, as he is in national

polls, a formidable achievement since the others are talented politicians with serious claims.

Why is Mr. Mondale doing so well with these Iowa Democrats? Their mood seems to be one of grim determination to unseat Mr. Reagan, with little interest in the relatively marginal differences between the candidates. As a man who has held state office and served in the U.S. Senate and as vice president, Mr. Mondale had a natural lead. That, combined with his other assets — money, organization, union support, familiarity in Iowa — is thought likely to place him a solid first. Some, but not all, of those assets will be working for him in New Hampshire and later contests.

What will the Iowa results tell us, beyond who finishes first, second and third? They should give an important clue to the enthusiasm and the determination of the hard-core anti-Reagan vote. In 1980, about 95,000 Iowans voted in the Democratic caucuses, fewer than voted on the Republican side; and many of them were voting against one candidate more than for the other. The dispirited Democrats failed to carry Iowa, a marginal state in 1976, as they failed to carry the nation in the fall. This time, six of the eight Democrats have been waging serious campaigns in Iowa for months now. Much may be revealed by the mere number of Democrats who are strongly enough motivated to go out on a cold night and stand up before their neighbors and vote.

—THE WASHINGTON POST

Other Opinion

A Lebanon Tally Sheet

The contemptuous rejection by both Syria and Israel of President Amin Gemay's latest "peace plan" threatens more than the survival of this hapless Maronite Christian figurehead. It also threatens Lebanon's existence.

In regional terms, President Assad of Syria has come off best, since the Shites and Druze, though not his creatures, are his agents and allies. On the broader plane, the Soviet Union, which sustains (but does not control) Syria, has won a silent victory by doing nothing more than pour more surplus arms into Damascus. The immobility which was imposed on Kremlin policy during the months when Mr. Andropov lay dying has proved a boon. Time played into Moscow's hands.

It is of course the United States which is the loser in all this. The White House and the State Department between them have blundered repeatedly. They overestimated the political punch possessed by the Saudi Arabians as mediators. They underestimated the force of Mr. Assad's personality and the inherent strength of Syria's positions.

Above all, it was the very nature of Lebanon which President Reagan and his advisers got

so sadly wrong. In an age of Arab resurgence, no state with a clear Arab majority can continue under Christian dominance.

—The Sunday Telegraph (London).

Vice Presidential Timber

The eight Democratic presidential candidates have all said they would at least consider a woman running mate. Thanks to Massachusetts Democratic leaders, American voters will get a chance this month to see nine women who might be vice presidential timber.

The nine, invited to be in a televised debate Feb. 26, are Mayor Dianne Feinstein of San Francisco; Governor Martha Layne Collins of Kentucky; Lieutenant Governor Martha Griffiths of Michigan; Representatives Linda Boggs of Louisiana, Geraldine A. Ferraro of New York, Barbara A. Mikulski of Maryland and Patricia Schroeder of Colorado; and two former U.S. representatives, Shirley A. Chisholm and Barbara C. Jordan.

Sponsors concede the debate might not influence the 1984 vice presidential choice. No matter. It is another natural, and welcome, step toward the day when a woman will be on the ticket — in the second or first spot.

—The Chicago Sun-Times.

FROM OUR FEB. 20 PAGES, 75 AND 50 YEARS AGO

1909: Bulgaria Seeks Recognition

PARIS — The Bulgarian Government [on Feb. 18] handed the following note to the French Government: "The Bulgarian Government, impressed by the internal crisis in Turkey, has every reason to fear that the solution of the Bulgarian question, considered as very near, may be much delayed by the preoccupations of the Sublime Porte. The Bulgarian Government, seeing in this prolonged delay a continual danger for the general interests and the maintenance of peace in the Balkans, again addresses itself to the Great Powers to beg them to intervene in favor of the recognition of Bulgaria, a recognition which seems to be merited by the firm and dignified conduct of the Bulgarian people."

1934: Belgians Mourn Their King

BRUSSELS — The body of Albert I, King of the Belgians, was borne at nightfall into the capital between silent ranks of citizens, who were massed in hundreds of thousands along the three-mile route between the royal chateau at Laeken and the palace in Brussels. The royal coffin, covered by the Belgian flag, was borne on a gun-carriage flanked by troops carrying torches. The official account of the King's death issued by the Namur magistrates says: "His Majesty, having climbed a rocky point, reached the summit, where very obvious traces of his passage remain. He leaned against a big block of stone, which may have seemed to him firmly fixed. The block fell away and carried his Majesty with it."

Chernenko As Pope of Transition

By Leopold Unger

BRUSSELS — The average life span for a man in the Soviet Union is 62 years. Bear that in mind in considering the supposedly unanimous nomination of Konstantin U. Chernenko, 72, to the post held by Yuri V. Andropov.

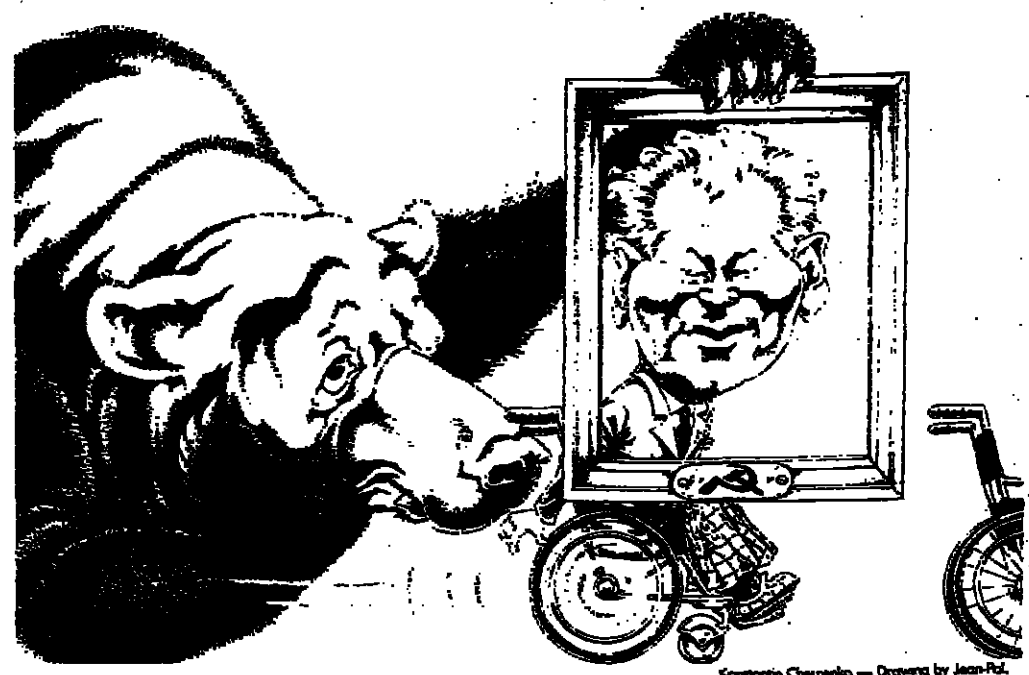
But first consider the very idea of a unanimous decision by the Central Committee. Mr. Chernenko had lost out to Mr. Andropov in the race 15 months earlier to succeed Leonid Brezhnev. Mr. Andropov was backed by his KGB apparatus, by the army, and by part of the party. He benefited in particular from the support of younger members of the party, who were exasperated by the barrier the ruling gerontocracy had erected around itself.

And nothing has taken place in the months since then to alter that situation. Quite the contrary. During that time Mr. Chernenko's position within the party slowly deteriorated; this former right-hand man to Brezhnev seemed to be heading for an honorable retirement. He was made responsible for ideology but was deprived of any real control. There was nothing to indicate that the Central Committee would be unanimous in promoting Mr. Chernenko to his job.

Certainly not his age. The new party leader is older now than were any of his five predecessors when they ended their careers — except for Stalin, who died at 74.

Mr. Chernenko's health appears frail: Westerners who attended the Andropov funeral believe he may have emphysema. He disappeared for three months last year. Nothing then indicated that the party had been planning to put itself into his hands, and to do so unanimously.

The fact that Mr. Chernenko needed help in walking down the steps of the Lenin Mausoleum after the funeral may simply be the best



Konstantin Chernenko — Drawing by Jean-Pol

indication of why he was up there in the first place.

The Central Committee may have been unanimous in its vote, but it was not to choose a new czar to lead the country to a better tomorrow; the Central Committee chose a man with no possible permanent aspirations, a man intellectually and physically incapable of remaining in his post long enough to take total control of the country.

The conservative Mr. Chernenko is not seen to have the slightest hint of adventurous fiber in his body. He has no military experience, and he will find that he cannot make decisions concerning the armed forces without consulting with Marshal Dmitri Ustinov and his generals.

The new Kremlin leader has no diplomatic experience. Although he accompanied Brezhnev to Helsinki and Vienna, he has never had to take a stand on a major international problem. Andrei Gromyko, the foreign minister, will continue to be responsible for diplomatic moves.

Mr. Andropov's successor has never worked in the KGB. Domestic peace, therefore, will not be in the hands of Mr. Chernenko, but in those of Mr. Andropov's disciples: Geidar A. Aliyev, a deputy prime minister with long experience in the secret police, and General Viktor

M. Chebrikov, head of the KGB.

And Mr. Chernenko has never headed a major enterprise. Though some portray him as a champion of the consumer, it is unlikely he will leave a mark as the man who brought the long-awaited reform of the Soviet economy.

By temperament and training, Mr. Chernenko is a pure product of the Communist Party apparatus. Dogmatic, orthodox, keeper of the ideology — sterile but indispensable in the enunciation of political mystification — Mr. Chernenko was chosen not for his abilities but for his inabilities.

He will not be a dynamic leader, but a pope of transition. There is no concern in the Kremlin that a personality cult will grow around him.

Mr. Chernenko's promotion is the best guarantee of cautious change amid rigid continuity, as he made clear in his inaugural speech. The Soviet leadership will be more collective than ever, with distinct sectors of the economy beyond the new leader's control. In some ways, Mr. Chernenko will be the hostage of his associates in the Kremlin.

The real decision at the top has been postponed. The Chernenko interlude is meant to give the political establishment the time to prepare the next transition.

Technology and Bureaucracy Don't Win Wars

By Jeffrey Record

This is the second of two articles.

WASHINGTON — Unfortunately, it is far easier to recognize an incapacity to use military force effectively than it is to determine its causes. Military establishments are peculiar organizations, and war remains among the most complex and least understood of human institutions.

There are no obvious explanations and remedies for the problem posed by incompetence in the U.S. military. But these points seem relevant: ■ The American military is culturally, as well as by professional training and education, prone to disregard the fact that war is principally a human encounter notwithstanding advances in weaponry.

The outcome of combat is still determined less by the quantifiable ingredients of military power than it is, as the Israelis have repeatedly demonstrated, by such intangibles as generalship, strategy and tactics, training, morale, unit cohesion, combat experience and, of course, chance.

The U.S. military harbors an unbridled, though historically unwarranted, faith in technology.

The fact that technology proved indecisive in Korea, ultimately irrelevant in Vietnam and unreliable in Iran seems not to have shaken that faith. Technological advance continues to be pursued for its own sake, even though its price is often paid in the form of unreliability in actual combat or in unit costs for weapons that prohibit their purchase in needed quantities.

To be sure, weapons are indispensable in war, and it is always better to have more and better weapons than one's opponent. Yet weapons are only tools. Even the best tool for little in the hands of ill-trained or demoralized troops, or under the command of officers incapable of grasping battlefield opportunities.

The Germans had fewer and less powerful tanks in 1940 than the French and British. The key to the Israeli slaughter of the Syrian army in 1982 was not the superiority of U.S. airplanes over Soviet MiGs, but the incomparable training, combat experience, innovativeness and esprit of Israeli pilots.

Similarly, in the Falklands war there was no contest on the ground between raw and wretchedly led Argentine conscripts and experienced British regulars whose regimental unit cohesion impervious to anything short of decimation.

■ A second observation: America's military malaise stems largely from the substitution of managerial and technocratic values for traditional warrior values that have taken place since World War II.

The U.S. military has become another vast military bureaucracy whose raison d'être — winning wars — has been supplanted by the overriding values of any bureaucracy: career advancement, maintenance of an orderly flow of people and paper within the system and protection from outside disturbance.

The result, obvious in Vietnam, has been a pernicious inability to distinguish between management and leadership, efficiency and effectiveness, and technology and tactics. Too many military men forgot they were men in uniform. Promotion-hungry officers in Vietnam all too often failed to lead their men.

The men themselves, treated like interchangeable parts in some vast machine, were constantly shuffled from unit to unit and job to job by efficient, highly centralized personnel-management systems, despite the catastrophic effects on the social

bonding critical to the cohesion of small units in the stress of combat.

U.S. strategy in Vietnam boiled down to little more than the administration of massive doses of firepower.

Men cannot be managed to their deaths; bunches of strangers can never be cohesive combat units; and firepower, though manageable, cannot be conclusive against an enemy, like the North Vietnamese, that refuses to provide decisive targets, or against one, like the Soviet Union today, that has superior firepower.

Finally, professional dereliction and incompetence have rarely been punished since World War II. This should not be surprising, since bureaucracies — and the Pentagon would seem no exception — compartmentalize professional responsibility to a point that is designed to exempt most bureaucrats from individual accountability.

While numerous officers have been cashiered for insubordination or court-martialed for criminal offenses since World War II, few have been sternly disciplined for professional malpractice. Failure to do so has bred

a worrisome atmosphere of professional unaccountability.

To its credit, the Long commission, in its findings on the truck-bombing last October that left 241 marines dead in Beirut, upheld the principle of professional accountability. It recommended disciplinary action against those whose negligence contributed to the disaster.

Yet it is highly unlikely that any one will be court-martialed or cashiered, since President Reagan effectively pardoned those involved in advance. By taking the blame for an event for which he could not possibly be held personally responsible, the president thwarted due punishment of those who are responsible.

It is encouraging that America's military record since 1950 has stimulated mounting pressure for reform in manpower policies, operational doctrine, weapons design and procurement. Some useful reforms are now being explored.

Several dozen concerned members of Congress have created a military reform caucus. Most are conservative and are disturbed by the absence of

any apparent correlation between the size of the defense budget and the effectiveness of U.S. forces.

The army has begun testing a promising new manpower system designed to increase unit cohesion. The army also has revised its operational doctrine, replacing an excessive emphasis on firepower with one encouraging greater reliance on maneuver. And last year a group of defense intellectuals founded a Military Reform Institute in Washington to encourage analyses of possible reforms.

Not surprisingly, the Pentagon, now awash in money but still convinced that money is all it needs to solve America's military problems, remains largely hostile to reform, although many younger officers are sympathetic to it.

Of course, not every proposal for reform has merit. But if the reformers do not have invariably correct answers, they are nonetheless asking the right questions.

The writer, an adjunct professor of modern military history in Georgetown University's national security studies program, contributed this comment to The Washington Post.

One Soldier's Defense of the Profession

By Maxwell D. Taylor

WASHINGTON — As a retired soldier who put in some 40 years of active service, I have never seen so misleading a criticism of my profession as that by Jeffrey Record. He makes statements like these:

"America's military record since Incheon has been one of persistent professional malpractice."

"A fundamentally flawed military instrument is a danger to national well-being."

"Only profound intellectual and institutional deficiencies within the U.S. military itself can explain so many failures for so many years."

Let us examine these failures in battle upon which Mr. Record rests his judgment. In so doing I shall assume "battle" to mean a prolonged conflict between military forces of considerable size, the outcome of which has considerable importance.

Mr. Record makes General MacArthur's Incheon landing the last battle of which Americans can be proud. He ignores General Walton Walker's performance in breaking out of the Pusan defenses in southern Korea, to which they had been driven by superior enemy forces in the first days of the war. Without this breakout

there would have been no Incheon.

In fairness, Mr. Record does credit General Matthew B. Ridgway with success after Incheon because of his "masterly restoration" of the defeated 8th Army, following its retreat from the Yalu, and his initiation of an offensive that drove the enemy north of the 38th Parallel into North Korea. This feat was perhaps the finest example of American military leadership in this century.

But Mr. Record overlooks another post-Incheon victory, the 8th Army's defeat of the all-out Chinese attack on the Kumsong salient just before the armistice. It was the largest coordinated enemy offensive of the war and is surely worthy of notice.

And how about Vietnam? Here the hundreds of engagements were rarely large enough to warrant being called battles. The Tet Offensive in early 1968 was first interpreted as a defeat by many in the United States but is now generally accepted as having been a costly loss to North Vietnam. The disastrous defeat of U.S. allies at the end of the war occurred after all

U.S. forces had been required to return home by presidential and congressional orders.

After discussing Vietnam, Mr. Record runs out of wars to cite and falls back on a heterogeneous list of incidents: the Bay of Pigs in 1961; the seizure of the Pueblo by North Korea in 1968; the Son Tay raid in 1970; the seizure of the Mayaguez by Cambodia in 1975; the abortive attempt to rescue American hostages in Iran; and, finally, the bombing last fall of the marines compound in Beirut. These incidents are all different; many are highly controversial. However, no incident constituted a battle testing the capability of senior commanders. Nor does any have significant relevance to the basic theme.

Although Mr. Record closes with some encouraging remarks regarding the armed forces, I fear that few veterans — and certainly not this one — will soon pardon the unjustified acrimony directed at their profession.

The writer was the U.S. Army chief of staff from 1955 to 1959 and chairman of the Joint Chiefs of Staff from 1962 to 1964. He contributed this comment to The Washington Post.

LETTERS TO THE EDITOR

Inflation's Roots

Regarding the letter "Examining the Usual Wisdom on Inflation" (JHT, Feb. 6) by Walt W. Rostow:

In 1972-74, the United States, Europe and Japan all boomed together — as opposed to in turn, which is roughly what happened in 1958-72.

This meant inordinate demand not only for commodities, but also for labor and capital throughout the industrial world. It would have been unreasonable not to expect commodity producers and labor and capital to try to profit from this situation.

Commodity prices got out of hand for several reasons: Congress had frozen U.S. crude oil prices back in 1948, thus discouraging exploration and production and creating near-perfect oligopolistic conditions for OPEC countries. The supply and demand of com-

modities is notoriously inelastic — leading to violent swings in prices. There is as much chance that the decline of inflation in the industrialized world in 1983-84 is closely tied to the decline of commodity prices as that it is similarly tied to rigorous "monetarism." "Monetarism," without detailed research, and hindsight, it is difficult to separate cause and effect.

Decolonization in the 1960s meant, in many newly independent countries, instability in the early 1970s (if not downright breakdowns in law and order and in the production of commodities). Research would probably show that because of political instability, the supply of commodities in the 1972-74 period was even less elastic than, say, during the early 1950s (and the Korean War-induced commodity boom).

May I suggest a new strategy to

achieve economic takeoff? This is simply to: a) sit tight and wait for your commodities' prices to rise, and when they do (which is statistically inevitable), b) invest the windfall in inelastic capacity instead of going on a wild binge of consumption (either private or military).

Finally, many thanks to Professor Rostow for his well-researched piece. As usual, he is a joy to read.

CALVIN E. WILLIAMS
Bridg, Luxembourg

No Shot for Mauritius

Our attention has been drawn to an advertisement published by the International Herald Tribune on Nov. 21, 1983, promoting holidays in Mauritius. The text says, "Travelers are advised to have certificates of inoculation against cholera and vaccination against smallpox."

Locating Mondale's Backbone

By Tom Wicker

NEW YORK — Reporters and the other Democratic presidential candidates have been hounding Walter Mondale across Iowa with the question Gary Hart sprang on him in a debate last week: Could he name "one major domestic issue in the last three or four years" on which he had disagreed with the AFL-CIO?

To which Mr. Mondale's most specific reply has been: "People know I have differences and so do you."

Meanwhile, Ford Motor Co. has announced record profits of \$78 million for the fourth quarter of 1983 and \$1.85 billion for the full year. General Motors had already announced record earnings of \$3.73 billion last week, with Chrysler reports next week. Total 1983 profits for the Big Three are likely to exceed \$6 billion.

These impressive numbers raise an even better question for Mr. Mondale: Why not demonstrate his independence of organized labor, as well as the "good backbone" he claims, by repudiating his support for the protectionist "domestic content" bill beloved by the United Auto Workers and the auto industry?

Of course, the question might have to be asked mostly by the right, since some of Mr. Mondale's supporters also support, to some degree, the domestic-content bill. Ronan Akers is the most notable exception. But it is still a good question, in light of Detroit's fat profits.

Auto industry analysts attribute Ford's 1983 turnaround (the company lost \$658 million the year before) not least to the quotas on auto shipments to the United States reluctantly agreed to by Japan. These had their predictable effect: American manufacturers could raise their effective prices by ending sales incentives.

Moreover, the UAW has reported that with demand for and sales of American-made cars on the increase, overtime hours in the industry "averaged 5.9 hours a week in the September-November period; total overtime worked during that period reached the equivalent of an extra 95,000 production workers" working full-time.

In short, the Big Three could have rehired 95,000 laid-off workers; but that would mean that each had to be paid the full range of fringe benefits. It was cheaper just to pay overtime.

But these figures show the domestic-content bill is not needed as protection for American workers. That measure, twice passed by the House, would force manufacturers selling more than 100,000 cars in the U.S. market to use specific percentages, rising with sales, of American labor and parts.

This protectionist bill, the Congressional Budget Office estimates, might create about 38,000 auto industry jobs by 1990. But the UAW figures indicate that could already bring back to the assembly lines 57,000 more workers than that simply by rehiring them instead of continuing to pay overtime.

Besides, the CBO also estimates that the 38,000 jobs that might be opened by domestic content legislation would come at the astronomical cost of about 130,000 American jobs lost in other export-related industries, owing to trade retaliation measures foreign countries surely would undertake. Further domestic consequences would include higher prices for consumers, an unwarranted spur to renewed inflation, and the underpinning of continuing inefficiencies in U.S. industry.

The world already seems on the brink of a disastrous trade war. When the United States recently imposed new restrictions on European steel, the European Community announced counter-restrictions on \$160 million of U.S. chemical products, burglar alarm machines, and sports goods. And it would be other U.S. exports, agricultural products particularly, that would suffer the most restriction in retaliation for a domestic content bill.

So if Detroit and the unions do not really need this "protection," if the likelihood of a trade war would be significantly increased by it, and if the domestic economic consequences would be damaging and perhaps disastrous, why doesn't Mr. Mondale repudiate the domestic-content bill and challenge his opponents to do the same? At one stroke, he would assert his independence of Big Labor and repudiate the Democratic Party's historic support for free trade.

Would the AFL-CIO labor federation then repudiate its endorsement of him? That is unlikely; labor has no better friend. And a Mondale who had proved his backbone and his independence of his biggest constituent group would be a stronger candidate against Ronald Reagan — who has already pledged to veto the most dangerous trade legislation since the Smoot-Hawley tariff.

The New York Times

Smoke in the Air

As a nonsmoker, I am puzzled why passengers traveling first class in a nonsmoking section are offered cigarettes by airline stewardesses. This was topped on a recent very pleasant Iberia flight from Madrid to Geneva when we were also presented with a "handmade" metal ashtray. I look forward to the day when all smoking will be banned on airplanes.

DIEGO GARCIA CALLO
Fully, Switzerland

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EUROBONDS

By CARL GEWIRTZ

U.S. Economic Data Fail to Lift Dollar, As Mark Re-emerges as Alternative

PARIS — There was a sharp shift in market perceptions last week: What previously was viewed as a half-full glass was suddenly discovered to be half-empty.

Thus, the same forces that had been sustaining the dollar on the foreign-exchange market were used to drive it down.

As a result, the dollar failed to respond to the cascade of data showing that the U.S. expansion was gaining speed and, by inference, that U.S. interest rates are headed higher.

Until then, any sign that interest rates might rise was always the cause for a new rush into dollars. But last week, the dollar was barely able to hold steady — and that steadiness, many dealers said, was thanks to the fact that U.S. markets will be closed for a holiday Monday, dampening the willingness of speculators to take positions.

"It's really a bad sign," said one trader. "The attitude to the dollar has definitely changed," another dealer said. "The confidence factor is diminishing."

The irony is that nothing fundamentally has changed in the United States. The size of the projected federal budget deficits through the end of this decade has been known all along. The same goes for the sharp widening of the trade and current-account deficits.

These factors, which previously were cited as pluses for the dollar because of the high interest rates they implied, are now increasingly seen as signs that U.S. economic policy is out of control.

Analysts trace the changed perception to the re-emergence of the Deutsche mark as an alternative investment vehicle.

Two factors are most often cited for the changed view of the mark: The defusing of the potentially disruptive pacifist movement with the successful installation of the new U.S. missiles, and the dispersal of the gloom that had pervaded Germany's West Germany.

The size of West Germany's public deficit is declining, inflation remains lower than in the United States and the long awaited business recovery now is clearly underway.

Readjustment of Currencies

As a result, many experts are moving up the date for an expected readjustment of currency values within the European Monetary System and are forecasting a revaluation of the mark and a devaluation of the Belgian and French francs by this summer rather than next autumn.

The expectation that dollar interest rates will rise and worries about the future value of the dollar cast a not surprising pall over the dollar sector of the Eurobond market.

In the floating-rate-note market, new-issue activity came to a near standstill as the market tried to absorb the record \$1.9 billion of new issues set a week earlier. A mid-week break in prices sent a shiver through the market, but by week's end prices had mostly recovered and stabilized.

Only 3 Floaters Offered

Only three new floaters were offered last week. Midland Bank is seeking \$200 million for 15 years, with interest set at 1/2-point over the average of the six-month bid-offer rate.

The Bank of Tokyo sold \$25 million of floating-rate certificates of deposit, with interest set 1/16-point below the six-month interbank rate for the first four years and 1/16-point over Libor for the final year. Six-month Libor was quoted at 10% Friday.

Less well received was a small issue for OKOBank of Finland, which is not well known in the international market and few banks have credit

(Continued on Page 11, Col. 4)

U.S. Lines May Face Fare War

By Agis Salpukas

New York Times Service

NEW YORK — United Airlines has matched Continental Airlines' lower fares in markets mainly west of the Mississippi. Analysts said the reductions by Continental could set off a wider fare war this year.

But United did not match all the fare cuts that Continental made to major cities, such as Chicago. Charles Friday, a United spokesman, said Friday that the carrier had sought to "limit" its response to Continental.

Nevertheless, some Wall Street analysts expressed concern that Continental's step, announced Thursday, was bringing the industry closer to a wider break in the pricing structure. Such a step, the analysts said, could jeopardize the profit recovery that some carriers have seen.

United said it would immediately match Continental's unrestricted one-way \$60 fares between Denver, one of its hubs, and Oklahoma City, Omaha, Nebraska; Tulsa, Oklahoma; Wichita, Kansas; and Kansas City, Missouri. The fares to these cities had been \$95 unrestricted and \$75 on a restricted basis.

The airline said it would also match Continental's unrestricted one-way fares ranging from \$120 to \$125 from Oklahoma City, Omaha, Tulsa, Wichita, and Kansas City to Los Angeles, Portland, Oregon, San Diego, San Francisco, and Seattle. Fares to these markets had been \$195 with no restrictions and \$175 with restrictions.

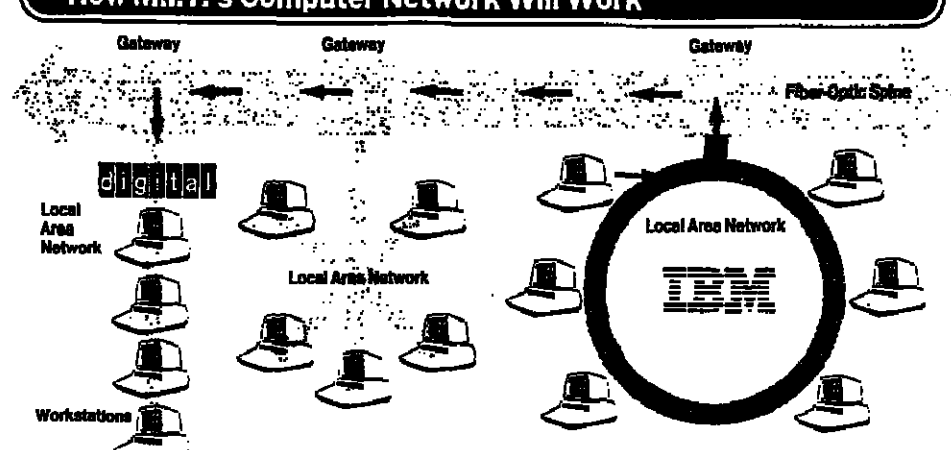
United said that travel for these fares must be completed by April 30 and that the fares on May 1 would revert to the much higher levels that existed before Continental had filed for protection under Chapter 11 of the U.S. Bankruptcy Act last Sept. 24. Under Chapter 11, a company receives court protection from its creditors while it tries to work out a plan for paying its debts.

East of the Mississippi, Continental put fares from Chicago to the West Coast and the Southwest in a range of \$150 to \$225 in coach class on one-way fares. The fares to such cities as San Francisco, Los Angeles, and Los Angeles were \$300 for some of these routes, Continental said.

Julius Malachuk, the airline analyst for Salomon Brothers, said in an interview that the combination

(Continued on Page 15, Col. 5)

How M.I.T.'s Computer Network Will Work



Under the M.I.T. plan, the university will be wired with a fiber-optic cable capable of carrying electronic signals at tremendous speeds. About 3,000 computers, spread among eight to ten clusters known as local area networks, will be tied to the spine. Each cluster may be of slightly different design — IBM's are circular, and Digital's are linear — and each have significant technological differences. But information will be exchanged freely between them. A signal leaving an IBM machine, for example, would be translated into common "protocols" at a gateway and shot across the spine to another gateway, offering access to the Digital cluster.

There the protocols would be re-translated, and passed on to a designated workstation in the Digital cluster. Because the system relies on no single computer to act as a "traffic cop" — each individual workstation addresses its own messages — it can be easily expanded.

The New York Times

IBM, Digital Joining Forces at MIT

By David E. Sanger

New York Times Service

CAMBRIDGE, Mass. — On the edge of the Massachusetts Institute of Technology campus here, in a red-brick warehouse, the world's two largest computer companies are collaborating on a project that the university hopes will form a blueprint for the desktop-computer systems of the next two decades.

The two great rivals of the computer industry, International Business Machines Corp. and Digital Equipment Corp., have committed \$50 million and two teams of computer specialists to MIT's Project Athena, named for the Greek goddess of wisdom.

The companies say they are merely making grants of equipment and services to MIT and, thus, the project is not a joint venture in any antitrust sense.

Still, MIT is the only place in the world where the two companies are working together. By turn-

ing the campus into a big laboratory, both the companies and MIT researchers hope to gather information about how a highly diverse group of desktop-computer users puts the smallest and most advanced computer products to work.

"This is truly different from anything we have tried before," said Paul E. Gray, MIT's president, in an interview. "We have many technical problems to solve, but our real interest, and I think their interest, is in learning how computer systems of this sort get used."

In fact, the project has two distinct, if interrelated, goals. The first is to design a computer system and related software that are as flexible and as powerful as many, far larger and more expensive mainframe systems. MIT is hoping that the resulting programs can then be used in courses as diverse as civil engineering and political science.

The second goal is to solve a problem that MIT officials call "coherence": designing a network in

(Continued on Page 15, Col. 3)

GM Weighs End Of Wage Rises

Document Urges Slashing Work Force by Some 70,000

By John Holusha

New York Times Service

DETROIT — General Motors Corp. will seek to eliminate annual wage increases for its blue-collar factory workers in favor of a profit-sharing plan in contract talks later this year, according to an internal company document made public by the United Automobile Workers.

The company also hopes to reduce its unionized work force from the present level of about 370,000 to fewer than 300,000 within three years, and would like to hire new workers at wage and benefit levels lower than the present union scale, according to the document.

The union and GM are scheduled to begin bargaining on a new contract this summer to replace one negotiated in 1982 that eliminated the 3-percent annual wage increases that have been given for more than 30 years and contained other concessions from workers. The contract expires Sept. 15.

Since the last round of talks, the company has returned to profitability, earning \$3.7 billion in 1983, and is expected to pay large bonuses to its executives this year, as well as profit-sharing payments to union employees.

Donald Postma, a spokesman for General Motors, who confirmed the document was genuine,

said Saturday: "As you approach national bargaining, you consider all possible scenarios. We obviously would not be doing our jobs if we didn't do that."

Jessica Katz, an official of the automobile union, said the company document, entitled "Actions to Influence the Outcome of Bargaining" and bearing the name of Alfred S. Warren Jr., the company's chief negotiator, was obtained by a union local, which she declined to identify.

Owen Bieber, the president of the union, said, "This document supports many of our worst suspicions about the motives and intentions of the General Motors Corp. where the UAW is concerned."

Mr. Warren listed "contain labor cost per hour" as the highest priority of the talks. To do this, the document said GM would try to "expand profit sharing in lieu of returning" to annual wage increases and to cost-of-living adjustments linked to inflation.

Another goal cited in Mr. Warren's paper was to be able to hire new workers at lower pay scales than present workers.

Although past managers of GM rejected profit-sharing proposals by the UAW as "socialism," the present top executives have indicated they embraced the idea as a way to avoid paying wage increases in bad years.

U.S. Firms Rise to Caribbean Investment Lure

By Clyde H. Farnsworth

New York Times Service

WASHINGTON — Companies are beginning to rise to the Reagan administration's Caribbean-investment lure.

Makers of electric motors, sporting equipment, women's pocketbooks, bedroom slippers, food products and even computers are setting up or expanding production in the area. They are taking advantage of duty-free access to the United States market for 12 years, an investment incentive provided by the Caribbean Basin Economic Recovery Act of 1983.

That law, passed last July after 17 months of wrangling in Congress, is more familiarly known as President Ronald Reagan's Caribbean Basin Initiative. It is a program of trade, economic and tax measures to help 27 Caribbean countries expand employment and raise living standards.

The attractions of low wages and tariff and tax advantages are reportedly also drawing investment money from the Far East. They seem to be generating more local investment as well.

Some analysts say the program is speeding a global shift of labor-intensive production to the Caribbean from such places as Taiwan, Hong Kong, South Korea and Singapore, where wages are rising rapidly. Taiwanese investors, for example, have already set up an offshore manufacturing zone in the Dominican Republic.

Among the U.S. companies whose recent investment decisions have been influenced by the program are Control Data Corp. of Minneapolis, West Point-Pepperell Inc. of West Point, Georgia, MacGregor Sporting Goods Inc. of East Rutherford, New Jersey, Harrow Servo Controls Inc. of West Chester, Pennsylvania, and West O'Lakes Inc. of Arden Hills, Minnesota. Control Data Caribbean Basin Inc. has just been formed to

"pursue business opportunities" in the region, the company said.

But government officials caution against expecting too much.

"The program is no panacea," Jon H. Rosenbaum, an assistant U.S. trade representative, said. "But we think that in some countries, depending on how willing they are to help themselves, it could make a significant difference."

Representative Thomas J. Downey, a Democrat of New York, who recently toured a half dozen Caribbean countries as part of a House Ways and Means Committee group, said:

"If you're thinking about a big turnaround, this will not solve the problem, especially since a lot of the products already come in duty-free. What it does do is focus attention on places with low wage rates, such as Haiti and the Dominican Republic, and if they get more manufacturing, that's good."

Frederic H. Brooks, chairman of MacGregor Sporting Goods, which has just decided to shift production of basketballs, soccer and volleyball from Taiwan to a plant outside Port au Prince, Haiti, said: "I foresee tens of thousands of new jobs in the region over the next five years."

The shift, which involves \$5 million to \$6 million of annual production, will save the company a 6.6-percent duty on inflatable balls imported from Taiwan, and, according to Mr. Brooks, will mean "a gain of several hundred jobs in Haiti and the loss of a corresponding number in Taiwan."

The lure of duty-free entry into the U.S. market is bringing the company orders from other American companies for production of other types of merchandise, such as boots, light luggage, women's pocketbooks and bedroom slippers, Mr. Brooks reported.

Although labor costs vary from island to island, they range from \$3 to \$4 a day, compared with about \$40 a day for unskilled manufacturing workers in the United States.

Company executives insist that the shift to the Caribbean is not taking jobs away from the United States but from other countries, particularly in Asia.

"We are witnessing a historic shift of investment from the Far East to the Caribbean," said Robert E. Brown, a director of Coopers & Lybrand, an economic consulting and accounting firm.

The "marginal differences" in wages and tariffs that now favor

the Caribbean "are the key to what is happening," he said.

Fearing that domestic jobs might be lost, however, Congress wrote into the legislation exclusions from duty-free entry for certain politically sensitive products, including textiles and apparel, canned tuna, petroleum and petroleum products, footwear and certain leather products.

Tibor Torok, vice president of overseas manufacturing for Harrow Servo Controls, said his company plans to double output of components for tiny, precision electric motors on Saint Kitts and Nevis.

The company's Caribbean subsidiary, St. Kitts Enterprise Ltd., which is operated as an alternative to production in Singapore, is saving \$5,000 a month as a result of duty-free access to the United States.

This helps the parent make more competitive bids for work. Harrow motors are used in robots, wing flaps of airplanes and a variety of other equipment, much of it for the Defense Department.

St. Kitts Enterprise employs 150 workers in two plants, one on Nevis and one on St. Kitts.

Judge Defends The Breakup of 'Ma-in-Law Bell'

The Associated Press

WASHINGTON — The federal judge who oversaw the breakup of American Telephone & Telegraph Co. said he was somewhat bemused by critics who pine for the days of a unified Bell System.

"In its present incarnation, Ma Bell is somewhat like your late mother-in-law," U.S. District Judge Harold H. Greene told the annual convention of the Consumer Federation of America on Friday. "When she was alive, she was a pain in the neck. Now that she's gone, she's thought of as a saint."

Judge Greene's speech was his second public appearance since approving the antitrust settlement that broke up AT&T on Jan. 1.

He said: "It is somewhat strange that when there's now a proliferation of merchants, styles, prices and opportunity, people see confusion rather than greater customer choice."

European Network to Link Computers

By Arnel Kornel

International Herald Tribune

PARIS — In a boost for European scientific cooperation, an international computer network is to be opened Monday at a meeting in Geneva of representatives of European universities and research institutes.

The European Academic and Research Network, or EARN, is being created with help from International Business Machines Corp. It will link computers at research centers throughout Europe, the United States and Israel.

While national research-computer networks exist already in some European countries, EARN will be the first pan-European project. Scientists contacted during the week-end said they believe that it could greatly ease the speedy exchange of information and ideas, and help promote international collaboration in research.

"It could be very important," said Victorio Frigo, a computer scientist at the European Center for Nuclear Research in Geneva, EARN member.

"Current physics is such that experiments become bigger and bigger and the research teams become multinational, with several teams working in different countries," he said. "It is of paramount importance for these teams to be in touch with each other."

Mr. Frigo noted that for many years U.S. scientists have had access to such networks as Arpanet, the 15-year-old creation of the U.S. Defense Department.

IBM is providing much of the computer and telecommunications equipment and software that will enable EARN's different computers to find and understand each other. The network will also be able to accommodate computers by makers other than IBM. It will be managed by the users.

Computers installed throughout Europe will help direct the communications between the computers of the various scientific centers. IBM predicts that more than 250 research computers will be connected to the network by the end of the year.

EARN traces its pedigree to Bitnet, a research network that IBM helped to develop in the United States. Bitnet, in turn, is based on VNET, an "in-house" computer network that connects computers

in IBM offices and laboratories throughout the world.

Researchers say that, in addition to fostering scientific cooperation, the new network will permit computer resources to be better shared. A scientist working on a project in Paris, for instance, will be able to book up his computer with a computer in Madrid through telephone lines, transmit experimental data, make calculations based on that data using a program stored in the Madrid computer, and immediately call back the results.

While such long-distance operations are already technically possible, institutions often lack the telecommunications equipment and software that would permit their computers to communicate. Scientists wishing to exchange computer-stored information often are obliged to send each other reels of magnetic tape through the mail.

Some researchers fear that the one obstacle threatening to slow the network's growth may be the high cost of leasing telecommunications lines in Europe. Rates for leased lines, established by the government-run telecommunications authorities, are considerably higher in Europe than in the United States.

Occidental has operated in Libya since 1966, and has the largest oil-drilling concession there. Its current production in Libya is about 80,000 barrels of crude oil a day.

"We've been waiting for the approval of the Libyan government for several months now," said Rudolf Scheffer, an official for Oesterreichische Mineraloelgesellschaft of Vienna. The Austrian company wants to buy part of Occidental's operations in partnership with Neste Oy of Finland and Svenska Petroleum of Sweden. "We hope to have it wrapped up by this summer."

Platt's Oilgrains News, an industry publication in New York, reported Thursday that Bruno Kreisky, the former Austrian chancellor, discussed the sale on behalf of the Austrian company in a recent meeting with Colonel Qadhafi, who is reportedly upset about an Occidental sale.

Colonel Qadhafi reportedly is holding up the sale to establish new conditions under which the three

European companies would operate. As Austria's chancellor from 1970 to 1983, Mr. Kreisky was the first Western leader to receive Colonel Qadhafi on an official visit.

Industry analysts quoted by Platt's said they doubt that Occidental was setting the stage for a complete withdrawal from Libya, a country with close ties to the Soviet Union that has been accused by the U.S. government of spreading international terrorism.

Exxon Corp. withdrew from Libya in 1981 and Mobil Corp. announced its withdrawal early last year. Three U.S. oil companies besides Occidental remain active in Libya: Conoco Inc., Amerasia Hess Corp. and Marathon Oil Co.

In December 1981, President Ronald Reagan asked Americans living in Libya to leave and Occidental said that it cooperated with Mr. Reagan's request, relying on non-Americans to continue its operations in Libya. In March 1982, Mr. Reagan banned U.S. imports of Libyan oil, but most North African oil has traditionally gone to Europe and the embargo had little effect on Libyan oil output.

Financial markets will be closed Monday in the United States because of a holiday.

Occidental to Sell Half Its Libyan Drilling Rights

By Tom Redburn

Los Angeles Times Service

LOS ANGELES — Occidental Petroleum Corp. has arranged to sell about half its oil-drilling rights in Libya to a consortium of three European oil companies.

Occidental is awaiting approval of the sale from the Libyan government of Colonel Moamer Qadhafi, a spokesman for Austria's national oil company said Friday in Vienna.

The purchase price, according to industry sources, is about \$250 million.

Asked about the report, a spokesman for Los Angeles-based Occidental said the company "will

not discuss it in any way, shape or form."

The multinational oil company has been selling off some of its assets during the last year to reduce the \$5-billion debt it took on after it acquired Tulsa, Oklahoma-based Cities Services Co. in December 1982.

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CURRENCY RATES

Late interbank rates on Feb. 17, excluding fees. Local fixings for Amsterdam, Brussels, Milan, Paris. New York rates at 4:00 pm EST.

Late afternoon rates										
Local fixings for Amsterdam, Brussels, Milan, Paris. New York rates at 4:00 pm EST.										
	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$	Currency	Per \$
sterling	0.867	£	122.05	FF	6.55	FF	127.12	S	25.09	25.58
franc	200.48	F	200.48	F	200.48	F	200.48	F	200.48	F
schilling	2.65	S	2.65	S	2.65	S	2.65	S	2.65	S
mark	1.4935	M	1.4935	M	1.4935	M	1.4935	M	1.4935	M
dracma	200.48	D	200.48	D	200.48	D	200.48	D	200.48	D
peseta	166.37	P	166.37	P	166.37	P	166.37	P	166.37	P
lira	1.366	L	1.366	L	1.366	L	1.366	L	1.366	L
yen	163.6	Y	163.6	Y	163.6	Y	163.6	Y	163.6	Y
rupee	200.48	R	200.48	R	200.48	R	200.48	R	200.48	R
sheqel	200.48	S	200.48	S	200.48	S	200.48	S	200.48	S
new dollar	200.48	N	200.48	N	200.48	N	200.48	N	200.48	N
colono	200.48	C	200.48	C	200.48	C	200.48	C	200.48	C
peso	200.48	P	200.48	P	200.48	P	200.48	P	200.48	P
baht	200.48	B	200.48	B	200.48	B	200.48	B	200.48	B
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Foreign Banks Complain About Singapore Agency

By Dinah Lee
International Herald Tribune

SINGAPORE — Despite recent criticism of banking regulations re. tension between the large foreign banking community and the public's banking authority, the Monetary Authority of Singapore, a major obstacle to Singapore's push to rival Hong Kong as financial center.

The tension stems less from too tight regulation than from the way which the regulations are superimposed and explained, said bankers. As opinion was expressed in interviews with foreign bankers of various nationalities and regional experience who asked not to be named, saying that it was more prudent not to be seen openly criticizing MAS policies.

The Singapore financial community, which includes 13 local banks and more than 230 foreign banks of various kinds of licenses, generally praises Singapore's rapid growth into a financial "supermarket." Available services include investment-fund management, syndicated lending, Asiadollar activity, and soon, financial futures a link-up with the Chicago Mercantile Exchange.

However, last year the Singapore government cracked down on an advice among foreign banks led "roundtripping," which was signed to avoid certain reserve requirements. Banks here would take Singapore dollar deposits in overseas branches, which, in turn, lent them back to the Singapore operations as if they were offshore funds.

This also allowed foreign banks in Singapore to circumvent restrictions on the amount of Singapore dollars they could hold locally for residents, and threatened near-monopoly of local banks the retail market.

More than 20 banks, some local, re fined as much as 1.2 million Singapore dollars (about \$564,480 current rates) each for "round-

tripping." Moreover, two foreign bankers were asked to leave Singapore. Senior officers from some major international banks found that letters from a middle-ranking MAS officer cited them individually as "misbehaving."

Lingering bad feelings about the incidents are hindering cooperation with the MAS in expanding Singapore's financial sector, bankers said. New regulations from the MAS last month exacerbated suspicions among the bankers interviewed that the MAS is trying to rein in rather than expand banks' activities.

A senior British banker based in Singapore warned, "It's the wrong time for the Singapore government to clamber into their big boots with the whole market facing an uncertain future." He noted that among the countries in the Association of Southeast Asian Nations, of which Singapore is a member, there was a growing trend to improve domestic financial services and reduce dependence on Singapore's skills.

Since the departure of the popular previous managing director of MAS, Michael Wong Pakshong, in 1981, relations with foreign banks have cooled. New recruits to the MAS staff, subsequently under the direct hand of Goh Keng Swee, first deputy prime minister, were criticized by bankers for being inexperienced.

MAS has made efforts since to improve the general climate. Last summer, they wrote to diplomats saying they wanted to mend fences with the banks, and it reprinted all pertinent guidelines in a new book nicknamed "the Bible" by some bankers. They also clarified the tax status of investment-fund profits, confirming that a 10-percent rate would apply, not the 40-percent corporate rate.

Last month, however, bank supervision was tightened further. The banks were told they must start reporting their foreign-exchange

and money-market transactions daily rather than monthly. "As soon as we heard this was coming, we wound down our considerable Singapore dollar activity," said a U.S. banker, who added that after about six weeks, their Singapore dollar transactions had been reduced to nearly nothing for fear of punitive action by the MAS.

Foreign bankers wonder where the next spurt of their growth will come from if the trend of diminishing regional opportunities continues.

The Banking Amendment Bill introduced further restrictions in January. One set the limit on the ratio of lending to capital at 30 percent, not unusual by international standards, but troublesome for many of the foreign banks in Singapore that are thinly capitalized compared with their parent bank.

A secrecy regulation now prohibits the disclosure of any information on individual depositors, possibly even to auditors sent from an overseas headquarters. Another new rule requires auditors to report to the MAS when they suspect a bank's activities contravene MAS guidelines.

Confidence in Dollar Drops Sharply

(Continued from Page 9)

lines open to it. Bank purchases of FRNs are often executed under the umbrella of such lines.

In addition, the amount, \$50 million, was small and raised fears that trading in the issue will never be very active. Finally, the terms were tight and somewhat confusing. Interest will be set at 4-point over the average of the bid-asked interbank rate. The interest will be paid semi-annually, but the coupon will be adjusted every three months.

Despite the pick-up in new-issue activity in the fixed-rate market — Denmark, Shearson/American Express, Gulf & Western and International Standard Electric tapped the market — none of the paper was selling.

For Denmark, which offered \$100-million of seven-year paper at par bearing a coupon of 12 percent, and Shearson, which offered \$100-million of 10-year bonds at par bearing a coupon of 12 1/2 percent, was a matter of indifference. Both are swapping their fixed-rate debt into floating-rate paper and with the swap partners set, the agreements had to go forward.

The Danish paper was quoted at 97 1/2 and the Shearson issue was quoted at 98.

Gulf & Western got a mixed reception. Many consider its U.S. rating of triple-B makes it an unacceptable credit, but other bankers said the name is well known and therefore acceptable to name-conscious private investors. It was also helped by its six-year maturity. Its \$100 million of 12 1/2 percent notes, offered at par, ended the week quoted at 98 1/2.

ISE sold \$112 million of zero-coupon bonds. The paper was offered at a discount of 25 percent of face value. The capital gain resulting from redemption at full face value at the end of its 13-year maturity works out to earning the equivalent of 11 1/2 percent interest a year. The terms were deemed to be ungenerous and the paper ended the week at 93 1/2.

At the same time, ISE sold \$75 million of 12-year bonds bearing a coupon of 12 percent. Offsetting this tight coupon, managers said, is the fact that the sinking fund starts working in the first year. Normally, sinking funds start do not start operating so early.

This was supposed to appeal to investors who draw comfort from the price stability that the sinking-fund purchases imply. However, the bonds ended the week at 97 1/2.

The sinking fund creates an average life of 7.5 years. But thanks to the companion zero-coupon issue, ISE is raising in all \$187 million for an average life of nine years.

The equity-linked market also turned in a lackluster performance. Sumitomo Heavy Industries was forced to cut the size of its fixed-coupon warrant issue to \$40 million from the expected \$50 million.

The five-year bonds, sold at par bearing a coupon of 6 1/2 percent ended the week at a whopping discount of 94 1/2. The bonds ex-warrant were quoted at 78 and the warrants, to buy \$3,000 of Sumitomo shares at a premium of 2.8 percent, ended the week at 16. In effect, investors are being asked to pay a 24.8-percent premium to buy the shares — an option of dubious value.

The problem, traders said, is the low probability of a sharp increase in the stock price. The prospect of sizable capital gains normally would offset the low coupon.

Toyo Engineering, which is seeking \$30 million through an issue expected to carry identical terms, appears to be suffering the same ailment and was quoted on a when-issued basis last week at 97 1/2.

Dealers said that the Japanese securities houses were making a mistake by allowing borrowers of

different quality to tap the market at identical terms.

The two convertible bonds on offer got a better reception. Nippon Oil is offering \$50 million of 15-year bonds bearing an indicated coupon of 3 1/2 percent. The bonds, which are expected to be convertible into shares at a premium of about 5 percent, ended the week quoted at 99 1/2.

Sankyo Seiki Manufacturing is seeking \$40 million. Its bonds are expected to carry a coupon of 3 1/2 percent and be convertible at a premium of 7.6 percent. The paper ended the week at a premium of 102.

In the Deutsche mark sector, the warrant issue for Mitsubishi Heavy Industries got a good reception and was increased to 300 million DM from the initially indicated 200 million DM. Each five-year bond, carrying a coupon of 3 1/2 percent, bears one warrant to buy 1,761 shares at a price of 248 yen. This represented a premium of 4.2 percent. The bonds ended the week at 100 1/2.

The straight market, buoyed by demand for the mark, also fared well. The European Investment Bank sold 250 million DM of 10-year bonds at par bearing a coupon of 8 percent and ended the week at par.

Sterling Drug, playing on the scarcity value of U.S. issuers to tap

that market, sold 250 million DM of 10-year bonds at par bearing a coupon of 7 1/2 percent. It ended the week quoted at 98 1/2. The low, 7 1/2 percent coupon issues of other U.S. companies strengthened during the week with the PepsiCo issue quoted at 99 and Baxter Travenol's at 97 1/2. Scheduled to be offered this week is a 200-million-DM issue for J.C. Penney, but managers refused to comment on reports that the issue would be cancelled. The final issue of the month will be 200 million DM for Ferrovie dello Stato.

The March calendar will be set March 1.

Also benefiting from the changed mood in the foreign-exchange market was the demand for paper denominated in European currency units. The ECU increased its issue to 100 million units from the 75 million initially announced. Its 10-year bonds carrying an expected coupon of 10 1/2 percent ended the week indicated at 98 1/2.

The newest issue in the market was 75 million ECU for the Royal Bank of Canada, which offered five-year notes bearing a coupon of 10 1/2 percent and priced at 100 1/2 to yield 10.43 percent.

National Bank of Australia offered 40 million Australian dollars of five-year notes bearing a coupon of 12 1/2 percent. The paper traded at a discount of 97 1/2.

International Herald Tribune

NEW EUROBOND ISSUES

Issuer	Amount (millions)	Mat.	Coup. %	Price	Yield of offer	Price end week	Terms
FLOATING RATE NOTES							
Bank of Tokyo	\$ 25	1989	1/16	100	—	—	Below 6-month Libor for first 4 years and 1/16 above Libor for final year. Floating rate certificates of deposit.
Midland Int'l Financial Services	\$200	1999	1/2	100	—	99.50	Over mean of bid and offered rates for 6-month Eurodollars. Minimum coupon 5%. Callable at par after 1985.
OKObank	\$ 50	1992	1/2	100	—	—	Over mean of bid and offered rates for Eurodollars. Payable semiannually but fixed every 3 months. Minimum coupon 5%. Callable at par after 1985.
STRAIGHTS							
Denmark	\$100	1991	12	100	12	97.88	Noncallable.
Gulf & Western	\$100	1989	12 1/2	100	12 1/2	98.38	Noncallable.
Int'l Standard Electric	\$112	1997	zero	25	11 1/2	23.88	Noncallable.
Int'l Standard Electric	\$ 75	1996	12	100	12	97.50	First callable at 102 1/2 in 1991. Sinking fund to start in 1984 to produce a 7.8-yr average life.
Shearson-American Express	\$100	1994	12 1/2	100	12 1/2	98.00	Noncallable.
EIB	DM 250	1994	8	100	8	100.00	First callable at 101 1/4 in 1991.
Sterling-Winthrop Products	DM 250	1994	7 1/2	100	7 1/2	98.25	First callable at 101 1/4 in 1989.
Amro Bank	DHS 200	1989	8	100	8	—	Noncallable.
Denmark	ECU 75	1991	10 1/2	100	10 1/2	98.75	Callable at 100 1/4 in 1989.
EIB	ECU 100	1994	10 1/2	open	—	98.63	First callable in 1992 at a premium of 1 1/4. Purchase fund in the first 4 years will produce an 8.43-yr average life. Increased from 75 million euros. Terms to be set Feb. 24.
Royal Bank of Canada	ECU 75	1989	10 1/2	100 1/4	10.43	98.13	Noncallable.
National Australia	Aus \$ 40	1989	12 1/2	100	12 1/2	97.38	Noncallable. Payable April 11.
EQUITY-LINKED							
Nippon Oil	\$ 50	1999	open	100	—	99.50	Coupon indicated at 3 1/2%. Callable at 103 in 1989. Convertible into company's shares at an anticipated 5% premium. Terms to be set Feb. 20.
Sankyo Seiki Manufacturing	\$ 40	1991	3 1/2	100	3 1/2	102.00	Payable semiannually. First callable at 103 in 1987. Convertible into company's shares at a 2 1/2% premium.
Sumitomo Heavy Industries	\$ 40	1989	6 1/2	100	6 1/2	94.75	Noncallable. Each \$5,000 bond with one warrant exercisable into an equal amount of the company's shares at a 2 1/2% premium. Terms to be set Feb. 21.
Toyo Engineering	\$ 30	1989	open	100	—	97.25	Coupon indicated at 6 1/2%. Noncallable. Each \$5,000 bond with one warrant exercisable into an equal amount of the company's shares at a 2 1/2% premium. Terms to be set Feb. 21.
Mitsubishi Heavy Industries	DM 300	1989	3 1/2	100	3 1/2	100.25	Noncallable. Each 5,000-DM bond with one warrant exercisable into an equal amount of the company's shares at a 4.25% premium. Increased from 200 million DM.

Gulf Oil 'Suicide' Loan Aims to Deter Mesa Bid

By Carl Gewirtz
International Herald Tribune

PARIS — A hara-kiri loan of \$1 billion was put together by international banks last week for Gulf Oil. The oil giant, fearing an unwelcome takeover offer from Mesa Petroleum, asked banks for the means to commit corporate suicide in case takeover. The aim, of course, is to deter Mesa from making such a

half officials obviously suspect a Mesa bid would involve a 51 percent of the

SYNDICATED LOANS

res, a controlling interest, and utilities for the rest. Mesa could sell off some of Gulf's assets to pay the money it borrowed to for the controlling share.

To counter this, Gulf has put ether a kitty of \$6 billion — \$1 billion of long-established credit, a \$4-billion loan put together October and the \$1-billion extension of this credit arranged last 2.

The money, a Gulf spokesman I, may be used to purchase its res "to assure, if Mesa initiates a 5-step tender offer, that all shareholders are treated fairly and give cash for their shares."

The Gulf spokesman added that a consequent debt would consist of a lien on the domestic exploration, production and refining assets the company and create a reversion on the divestiture of the res and the dividend payments be company.

In other words, Mesa would wind up owning 100 percent of the shares and would be unable to use any of Gulf's assets for its own purposes until Gulf's bank loan had been repaid.

On the basis of Friday's closing price on the New York Stock Exchange of \$54 a share, purchasing 49 percent of its shares would cost Gulf \$4.4 billion.

The bank credit runs for 3 1/2 years. Neither Gulf nor banks participating in the transaction would say how much the company is paying for the loan.

Texasco, which put together an \$8-billion, eight-year loan to finance its purchase of Getty Oil, is paying 3-point over the London interbank offered rate. For the first six months it is paying a 1/4-percent commitment fee on the amount not actually drawn.

Last week, Texasco drew the first \$1 billion on this loan.

In the syndicated loan market, it was still unclear how the Soviet Union would respond to the offer from its bankers to increase the five-year loan to Vneshtorg, the state foreign trade bank, to \$200 million from the initially announced \$150 million.

This week, details should be made public on the terms for a \$500-million loan for Greece. The loan will be for seven to eight years. It will either be a prime-Libor (with 60 percent tied to Libor at 3-point over the interbank rate) or all Libor with about half the amount raised through the sale of floating rate notes.

U.S.-Chinese Trade Shrank to \$4.4 Billion Last Year

United Press International

ELIJING — U.S.-Chinese trade sank to \$4.4 billion in 1983, the st since 1979, as U.S. exports topped \$739 million, U.S. Embassies showed.

China, which banned many U.S. products in 1983, posted a million surplus in trade with United States. But that meant the United States had its first deficit with Beijing since 1977 only the fourth since U.S. trade with China in 1971, the assy reported Saturday.

Significantly, the level of \$5.2 billion, bilateral a last year fell 15 percent, to a of \$4.4 billion. It was the last since the \$2.3 billion in

the (1983 total) figure would be even lower had it not for a strong December show-when trade reached \$526 million the highest monthly total since January 1982, an embassy statement said.

Trade quotas triggered the decrease from the beginning e year.

Reagan administration, ging to protect the U.S. textile

industry, imposed unilateral textile quotas on China when negotiations broke down in January 1983.

Beijing retaliated with a total import ban on U.S. cotton, synthetic fibers and soybeans. It also vowed to cut back imports of other U.S. farm products, the traditional mainstay in U.S. sales to China.

EUROPE 1 COMMUNICATION

The Board Meeting of EUROPE 1 COMMUNICATION was held on 7 February 1984 under the chairmanship of Mr. Pierre Barret, to close the accounts of fiscal year ending 30 September 1983.

In spite of the low level of the authorized rate increase for 1983 (4.5% net) turnover for broadcasting activities showed an increase of over 14%. Trading results, after deduction of the new local radio stations tax, and bearing in mind the drop in dividends received (-27.5%), reached FF 101,809,000, with a net profit, after taxes and before exceptional provisions, of FF 75,187,000.

Continuing the restructuring of its diversification, EUROPE 1 COMMUNICATION has as of today given up its total participation in the DISC AZ Company and 35% of its participation in S.E.E. TELE MONTE CARLO, thus reducing it from 61.5 to 40% of its capital.

After closing the fiscal year, a basic agreement was reached between the company of France and the Principality of Monaco on the use of relay-broadcasting installations on French territory, in order to improve the quality of its signal reception in the departments of Bouches-du-Rhône and Var. The new broadcasting conditions are being perfected at present.

As a result, and bearing in mind essential provisions of FF \$4,865,000 against DISC AZ and S.E.E., net available profit reaches FF 20,322,000 which the Board will recommend to the Assembly to carry forward again.

The GIRAUDY GROUP will for the first time be included in the consolidation framework of EUROPE 1 COMMUNICATION. S.E.E. will henceforward be included in view of the minority aspect of the participation, in the same way as DISC AZ which has definitely left the Group.

For the present fiscal year the authorized rate increase for radio advertising is limited to 3.03% net. As at 31 December 1983, at the end of the first quarter, turnover of this branch of activity increased by 5.36% reaching FF 151,465,000 against 143,783,000 for the corresponding period of 1982 and short term prospects enable to expect a slightly higher rate and the same level of gross margin.

In the same way the present fiscal year should reflect the positive effects of restructuring measures which have affected the fiscal year closed on 30 September 1983.

Gold Options (prices in \$/oz.)				
month	Feb.	May	Aug.	
30	12.20-14.30	12.25-14.35	2.25-23.25	
30	125 - 275	625 - 825	11.50-13.50	
40	—	200 - 320	625 - 825	
50	—	100 - 200	400 - 550	
Gold: \$220.90/oz.				

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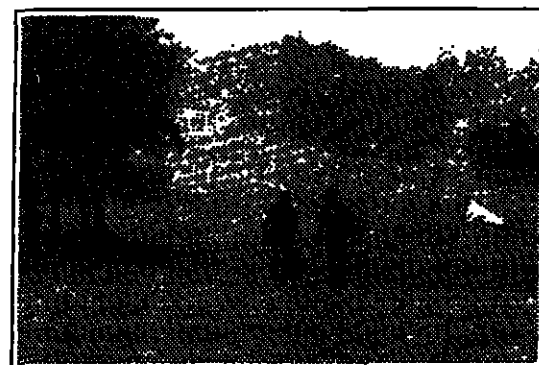
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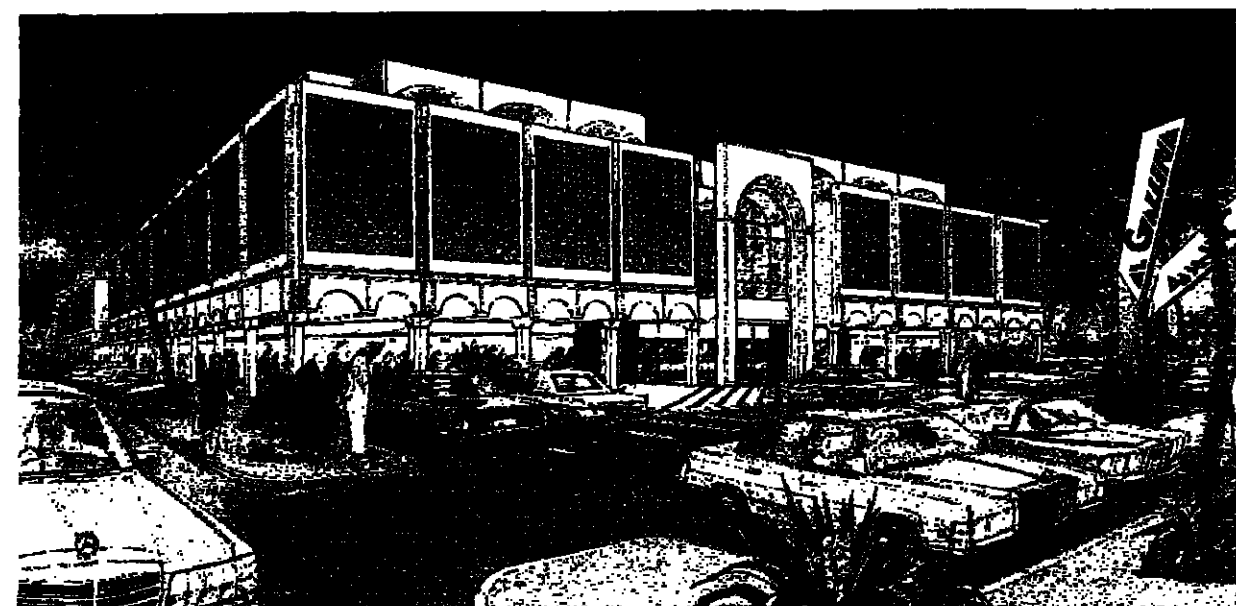
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More Than a Third of a Million

Herald Tribune
Reaching More Than a Third of a Million Readers



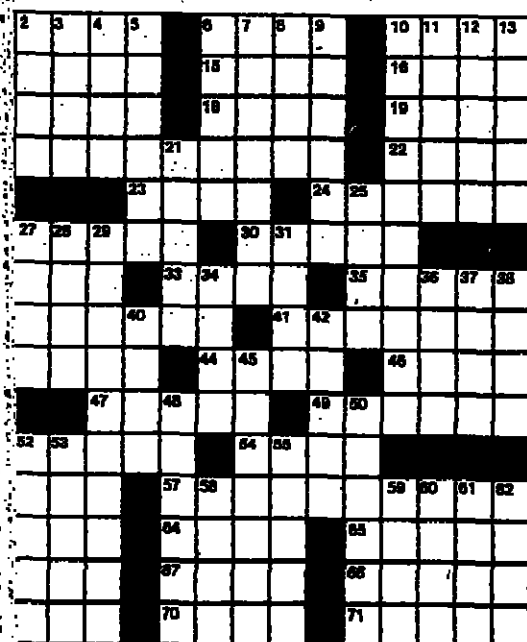
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In addition to the Classified ad columns on the Trib's last page, Classified space also runs in a number of regular advertising sections within the paper which appear on various days of the week: Wednesdays - Business Opportunities; Thursdays - Executive Positions; Fridays - Real Estate, Holidays & Travel and Weekend Activities; Saturdays - Executive Positions, Schools and Universities, Art Galleries and Auction Sales.

For more information on placing your message in a Classified section of the International Herald Tribune, contact your nearest IHT advertising sales office.

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8 Across: 65 Tapestry
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11 Across: 68 Bunting
12 Across: 69 Forest denizen
13 Across: 70 Eye
14 Across: 71 Rent

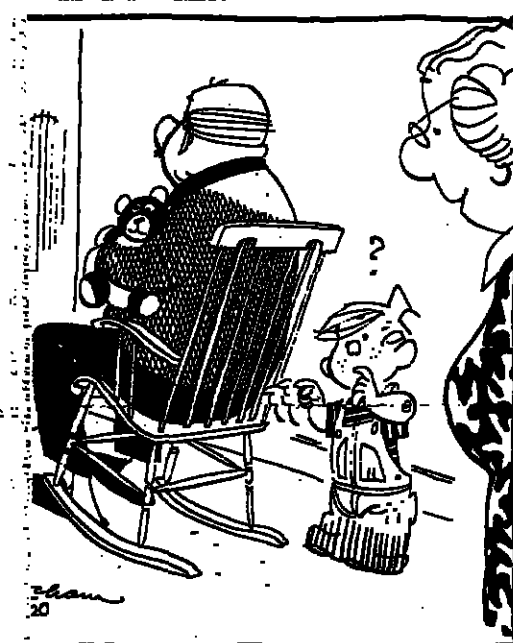
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8 Down: 8 Med. school
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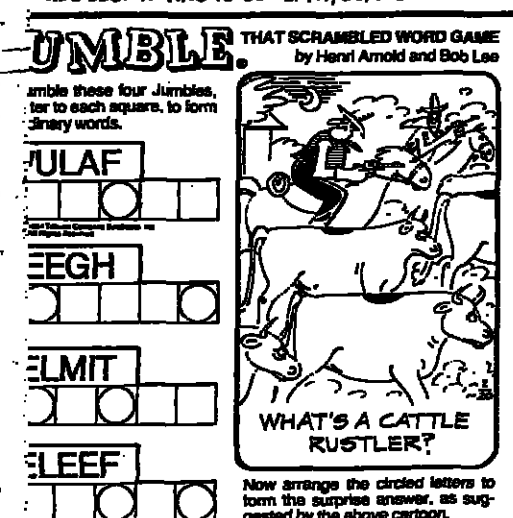
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46 Where Saul
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48 French
49 department
50 Composer of
51 "Comus"
52 La
53 Trinidadian
54 port
55 Moves in small
56 waves
57 Famous
58 Italian family

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INIS THE MENACE.



"HE'S JUST TRYING TO BE FUNNY, DENNIS."



Answer here: A

Answer: What you might see if you refuse her request for a milk coat — THE FUR FLAY

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PEANUTS



BLONDIE



BETTY BAILEY



ANDY CAPP



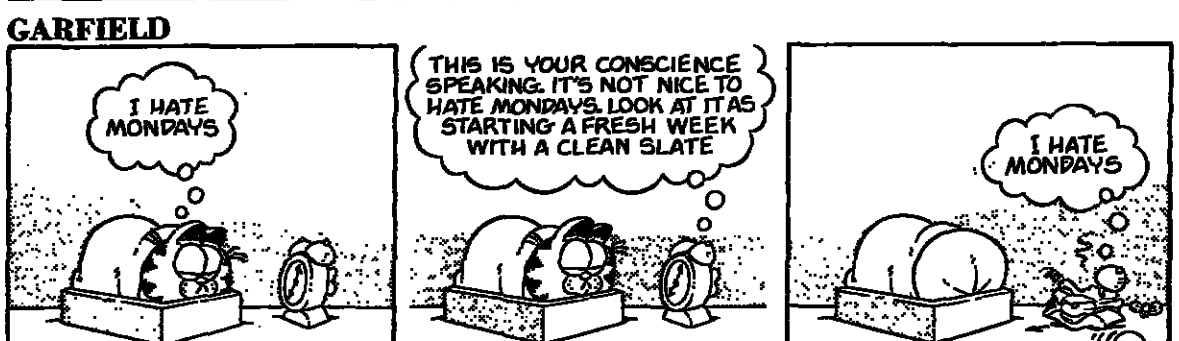
WIZARD of ID



REX MORGAN



GARFIELD



DIGITAL AND IBM JOINING FORCES IN PROJECT AT MIT

(Continued from Page 9)

which small computers of every type—even machines of radically different design—can exchange information freely at tremendous speeds.

"It's more than just making computers compatible," said Steven R. Lerman, a professor of civil engineering and director of the project. "It means making the differences between computers invisible to the user."

Ultimately, Mr. Lerman and others hope that a user of the MIT system will be able to use a computer the way that he or she would use a public telephone. Without special instructions, the user would know what keys to hit to perform a variety of functions.

Despite the commercial possibilities of Project Athena, the participants say they are not using MIT as a vehicle for creating new products.

"We have no economic interest in the outcome, and I am not being measured by the new applications I bring back," said Richard Parnes, a 17-year veteran of IBM's Cambridge Scientific Center near MIT, who is heading the IBM team.

Edward E. Balkovich, an engineer leading Digital's team, agrees. But, he adds: "If I do my job right, there will be no surprises for DEC on how these systems are being used."

Nonetheless, MIT officials appear to have been particularly careful in working out the details of the agreement. Responding to concerns on several campuses about agreements under which universities conduct secret research for companies, MIT officials stipulated that Project Athena participants be free to publish their findings. Most patents and copyrights emerging from the project will belong to the university.

Ultimately, the architecture of MIT's network is likely to be of greatest interest to universities and corporations.

The MIT system attempts to combine the best features of large "time-sharing" systems—which have dominated university laboratories and corporate computer rooms for decades—and of small, desktop microcomputers.

In a typical time-sharing system, users sit at terminals and tap into a central machine. But such systems have severe limitations: They are limited in size, and they become very slow when demand on the central computer is heavy.

Microcomputers have fewer problems, but have more limited capacity. Under the MIT system, desktop computers would be clustered in "local area networks," with each network tied to a fiber-optic "spine" that would be used to connect the whole university.

Local area networks already exist on a small scale, but none have attempted to link as many as 3,000 machines, as MIT plans, or made such extensive use of fiber-optic cable to speed transmission.

The Digital and IBM employees assigned to the project appear to work together easily, sharing a row of cramped offices on the third floor of the project's headquarters.

MIT has deliberately nurtured an atmosphere that is emphatically un-corporate. Jeans and corduroys are commonplace, and a button taped to one door proclaims the joys of "Sex, Drugs and UNIX," the latter a Bell Laboratories computer-operating system adopted as the project's standard.

Neither company is using any unannounced products in the project, and the employees say they exchange no confidential or proprietary information. But MIT officials indicate that several systems not yet on the market, from a new 32-bit workstation expected from Digital, to a new local area network architecture designed by IBM, will be integrated into the system.

U.S. Airlines May Face Fare War

(Continued from Page 9)

of Continental's moves and plans by some carriers to increase capacity from 18 to 25 percent has put "the fare structure under considerable stress."

He added that while traffic has generally been increasing since last autumn, not all the carriers have shared equally in the growth, which added another incentive for some carriers to lower fares.

"We will reach a crucial point in the second quarter," he said. "If the traffic expectations for the summer are poor, then we could see the breakdown of the fare structure where we have a total price war."

Eastern Pilots Clear Stock Plan

United Press International

MIAMI — Eastern Airlines' pilots ignored union leaders and approved a salary-for-stock swap plan that is the key to a \$367-million bailout plan for the carrier, a union vote count showed Sunday.

A preliminary count showed pilots voted 1,784 to 696 to back the proposal. "This means all the employee groups of Eastern Airlines support the plan," said George Smith, chairman of the Master Executive Council of the Air Line Pilots Association.

Pilots' union leaders had urged members to reject the plan because pilots would have to make a greater financial sacrifice than other employees.

Canada's Economy: Slightly Stronger

By Douglas Martin

New York Times Service

OTTAWA — Traditionally, the finance minister holds a luncheon for the press the day after the budget is disclosed here. It has become a key economic indicator.

In November 1981, as Canada was slipping into its worst recession since the 1930s, there was a seven-course meal with copious imported wine. The next year, in the depths of the downturn, there was beer and pizza. Last week, the offering was somewhere in between—a fruit salad or cold cuts.

"Enjoy the first course," Marc Lalonde, the finance minister, joked, "because that may be the only one you'll get."

So, too, goes the Canadian economy: Better but hardly grand. It grew by nearly 3 percent last year, and next year the government forecasts growth of 4.5 percent. From a double-digit level in 1982, inflation last year fell to 5.8 percent, and is expected to decline further, to 5.2 percent, this year.

At the same time, unemployment remains stubbornly high, 11.1 percent compared with 10 percent in the United States in December, the most recent month for which comparable statistics are available. And the big problem of the Canadian economy, under-investment by business, shows few signs of abating. A government survey of 270 large corporations indicates they plan to cut capital outlays by 6.6 percent this year to \$24.31 billion.

Canada's economic performance is important to the United States, because Canada is by far its biggest trading partner. This year, two-way trade is expected to reach \$110 billion, a 10-percent increase from 1983.

In what is probably an election year here, Mr. Lalonde readily concedes his government's rosy forecasts may turn out to be wrong, but insists that Canada is far from "the verge of bankruptcy." His budget moderately increases spending for such things as pensions and aid to home buyers, while cutting the deficit, currently the highest in Canadian history, by nearly \$2 billion to \$29.6 billion.

That reduction, he said, is enough to keep interest rates—the prime remains at 11 percent—from going still higher.

U.S. and Canada Open Talks On Liberalization of Trade

By Stuart Auerbach

Washington Post Service

WASHINGTON — The United States and Canada, already each other's biggest trading partners, have opened talks to try to eliminate trade barriers in major portions of the economies of the two countries.

The initial talks on Friday focused on four areas: steel; agricultural equipment and implements; government procurement, particularly of urban mass transit equipment, and computers and other areas of the information revolution.

The talks were proposed by Canada and readily accepted by the United States. Working groups are to report back by early May on the practicality of this kind of trade liberalization. The initial talks will include discussions with affected industries on both sides of the border to determine if more industries should be added to the list.

The Canadian trade minister, Gerald Regan, and the U.S. trade representative, William E. Brock, both welcomed the talks.

Mr. Brock said: "With all the negative news on trade, both domestic and international, and the pressure on the world trading system, it is a matter of real consequence that the two largest trading partners in the world are holding conversations about liberalizing trade, about expanding trade, jobs and growth."

Current two-way trade between the United States and Canada runs about \$90 billion a year, with Canada holding a \$13.9-billion trade surplus with the United States in 1983.

Announcement of the trade liberalization talks with Canada was coupled here Friday with the signing by Mr. Brock and Mr. Regan of an agreement calling for special consultations before either country imposes worldwide trade restrictions. This is designed to help industries weather import surges.

BRIDGE

By Alan Truscott

New York Times Service

If you are in trouble, like a tennis player developing a cramp, your best chance is that your opponent does not know it.

An example is the diagrammed deal, where South landed in four hearts after West overcalled in clubs and North contributed a negative double.

When the diamond king was led and the dummy appeared, South saw problems ahead. From the bidding he was sure that the club finesse would lose, so he took the diamond ace and immediately led the club jack. This caught West off guard, and he played low on the assumption that his partner held a top honor. He discovered his error when the jack held.

This was all the help South needed to make his contract. He shifted to spades, and won with the king in dummy when West ducked. He led a low spade from dummy, since he did not have a convenient entry to his hand to continue the suit. This drove out the ace, and West shifted to a trump.

South won with the king and cashed the ace, discovering the bad break. But he was still in control. He led to the club ace, ruffed a diamond and cashed the spade queen. A spade ruff and another diamond ruff gave him 10 tricks, since East had to follow and was finally reduced to his two trump tricks.

West's club king, which he had failed to play earlier, now suffered the indignity of being ruffed by East.

South's trap would fool most players. An expert might reflect that South would hardly be leading clubs from Q-J-x.

SPORTS NEWS

On Pages 6-7

